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# A COMPARATIVE REVIEW OF THE ROLE OF MUNICIPAL COUNCILS





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Skopje, July 2017

## AUTHOR

Antonella Valmorbida

***“Le vivre, c’est servir (...) et en veut faire un acte d’honneur et de vertu”***

*“To live is to serve (...) considering it an act of honour and virtue”*

Michel de Montaigne (1533–1592), *Essais – Livre II.*

***“To know how to be, to know how to do, to know how to become”***

Motivation expressed by a participant on a training course in Participative Democracy,

*Oran, Algeria, February 2017*

***The best outcome of the training capacities for adult education is “learning by doing”***

*Principles of Adult Education*

This Comparative Review was developed as part of the Swiss Agency for Development and Cooperation (SDC) project ‘Empowering Municipal Councils’, implemented by the United Nations Development Programme (UNDP). The views set out in this review are those of the author and do not necessarily reflect the official views of the SDC and UNDP.

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## ABBREVIATIONS

<b>ALAL</b>	»	Association of Local Authorities in Lithuania
<b>ALDA</b>	»	European Association for Local Democracy
<b>CSOs</b>	»	Civil Society Organisations
<b>EU</b>	»	European Union
<b>LGDK</b>	»	Local Government Denmark
<b>MC</b>	»	Municipal Council
<b>NALAS</b>	»	Network of Associations of Local Authorities of South-East Europe
<b>NGOs</b>	»	Non-Governmental Organisations
<b>OECD</b>	»	Organisation for Economic Cooperation and Development
<b>OSCE</b>	»	Organisation for the Security and Cooperation in Europe
<b>SIGMA</b>	»	Support for Improvement in Governance and Management, joint initiative of the OECD and the European Union
<b>UNDP</b>	»	United Nations Development Programme
<b>USAID</b>	»	United States Agency for International Development
<b>ZELS</b>	»	Association of Units of Local Self-Government of the Republic of Macedonia

## GLOSSARY OF TERMS

### Institutions

- **Auditor:** Controller of accounts.
- **Committees/commissions:** Working bodies comprised of a limited number of municipal councillors, often organised by theme, which meet in the periods between plenary sessions of the municipal council.
- **Controller:** An official with the role of external control in Lithuania.
- **Councillors:** Officials elected in local elections to sit on municipal councils (or municipal assemblies in Serbia).
- **Ethnic communities:** A term used in Macedonia to refer to ethnic minorities.
- **Magistry:** An intermediary working body composed of municipal councillors in large towns in Denmark.
- **Mayor:** The mayor is the highest-ranking official in municipal government. In Serbia the mayor is called the President of the Municipality.
- **Municipal Council:** The assembly of municipal councillors elected at local elections. This may refer to what are also called city councils and town councils. In Serbia, the municipal council is the executive body that assists the mayor.
- **Municipal Assembly:** In Serbia, municipal assemblies are the equivalent of municipal councils.
- **Municipal Assembly Members:** Serbian term for municipal councillors.
- **Neighbourhood unit:** An elected or appointed unit of local government that represents a neighbourhood.
- **President of the Assembly:** President of the municipal council in Serbia.
- **Secretary of the Municipality:** The head of the administration in Macedonian municipalities.
- **Supervisory body:** This body controls municipal finances in Slovenia.
- **Wards:** Sub-municipalities in Lithuania.

### Specific terms

- **Governance** refers to the processes of interaction and decision-making among actors involved in an issue that leads to the creation, reinforcement and reproduction of social norms and institutions.
- **Local governance** refers to ways of organising the decision-making of a local community, rules, institutions and their interactions with civil society.
- **Proximity** refers to policies that valorise services and policies in closer communities.
- **The European Union** is a political and economic union of 28 member states that are located primarily in Europe. Macedonia is not among the 28 members yet.
- **The Council of Europe** is an international organisation whose aim is to uphold human rights, democracy and the rule of law in Europe and to promote European culture. It includes 47 countries (including Macedonia).
- **The EU Enlargement process** is defined by the EU as the process of enlargement of its membership in accordance with the Copenhagen Criteria and political path. All the countries of the former Yugoslavia and Albania are either in the process of accession to the EU or are already EU Member States.

## ABOUT THE AUTHOR

**Antonella Valmorbida** is a senior expert on local governance and participatory democracy at local level. She has developed and led the European Association for Local Democracy (ALDA) since its creation in 1999. She is among the key experts in Europe who promote and implement programmes of participatory democracy and local democracy. She has worked in South Eastern Europe since 1996. She lived in Croatia from 1996 to 2000, setting up the Local Democracy Agency (a programme of the Council of Europe that later generated ALDA) in Sisak. She operated with Local Democracy Agencies and other programmes extensively in Bosnia Herzegovina and then in the rest of the Western Balkans, in the post-war period to the pre-accession process to the EU. Since 2000, she has been responsible, with local staff, for a broad spectrum of programmes of international cooperation supporting local governance in the Balkans, Eastern Europe and the Mediterranean area, including Macedonia.

She is involved in local governance analysis, project implementation, management and advocacy work in EU member states as well as EU Enlargement and Neighbourhood countries. She has extensive knowledge of this field and contributes to policy-making at the Council of Europe and at EU level. She has supported the development of the UN Sustainable Development Goals and the principle of their "localisation". She has published academic books and articles on the topics of decentralised cooperation, local governance and participatory and inclusive democracy. She is a senior expert, consultant and trainer for major programmes of UNDP and the European Commission on Local Governance, Democracy, local authorities and civil society empowerment.

She is Secretary General of ALDA, Chairman of the Board of the European Partnership for Democracy (EPD), and coordinator of the Subgroup on Local Government and Public Administration Reform of the Civil Society Forum for the Eastern Partnership. She is also involved in Concord, the European NGO Confederation for Relief and Development.

She is fluent in Italian, French, English and Russian. She understands Spanish, German and Serbian.



## 1. SUMMARY

The present Comparative Review is part of a broader project called '**Empowering municipal councils**', aimed at enhancing the performance and role of municipal councils within local self-government units in Macedonia<sup>1</sup> through a wide range of support measures. The main objective of the project is to empower municipal councils to become more effective and autonomous bodies, better able to withstand the influence of the executive power, by properly fulfilling their constitutionally assigned roles of legislation, oversight and representation. The project aims at achieving a better and more democratic balance of powers, engaging women and ethnic communities in policy-making and all aspects of local governance, with a focus on innovative participative processes. Municipal councils have the potential for strengthening accountability and overseeing the performance of local self-government, as well as for establishing stronger liaisons with citizens (thereby achieving a more successful participatory approach to local governance). Municipal councils should contribute to ensuring a sound institutional balance of powers with respect to the scope of competences of the function of mayor and his/her own team, who are often the focal centre of decision-making at local level. The programme aims at strengthening the capacities of municipal councillors (through legislation and practices) to create systemic changes and to be an added value to their pro-active role in local democracy. **This comparative review contributes to these aims by presenting the legislative and institutional frameworks for municipal councils in different countries, identifying good practices, and supporting measures to reform the existing system in Macedonia.** The review will serve as a draft to initiate discussions at networking events to be organised on various topics related to local self-government within the framework of the project. The comparison of different settings will enable a more in-depth comprehension of the Macedonian context, as well as substantiating further recommendations, including possible legislative adjustments and the introduction of innovative solutions and practices.

1 Pursuant to UN Security Council Resolution 817, the State is being provisionally referred to for all purposes within the United Nations as "the former Yugoslav Republic of Macedonia".

## 2. BACKGROUND AND METHODOLOGY

The comparison indicators used for this review have been selected by the various project stakeholders together with the project team and in close coordination with the international consultant contracted to prepare this comparative review.

The comparison indicators cover four local self-government topics relevant for the project:

### a) The functioning of municipal councils and their structure

The section of the review focusses on the basic functions of municipal councils and the ways in which they are structured to implement their competences. The ways in which council members are elected and organised to conduct their decision-making processes is necessary in order to gain an understanding of their potential and to identify opportunities and challenges. More specifically, our analysis is oriented towards the following indicators:

- Municipal council elections
- The competences of municipal councils
- Committees/Commissions and internal bodies of municipal councils
- Rules of procedures in municipal councils and the preparation of materials to inform councillors' decisions
- The remuneration of municipal councillors

### b) Municipal councils and their role in finance and budgeting

This section of the review focusses on financial control and the related competences of municipal councillors. The significant role played by municipal councils in finance and budgeting adds value to their role in supporting democratic accountability and the balance among the different roles performed by the various bodies of local government institutions. Within this cluster of indicators, the analysis is oriented towards:

- The role of municipal councils in the budgetary process
- Municipal councils' control on overspending
- The role of municipal councils in determining municipal taxes
- Procurement plans, local authorities' debts and assets
- Internal and external controls

### c) The role of municipal councils in good governance and democracy at local level

This section of the review focuses on the role of municipal councils in inclusiveness and cohesion in relation to various representatives of the community. In particular, it argues that municipal councils should represent the legitimate and deliberative democratic body, balancing executive roles in local government. The following specific indicators are analysed within this review:

- The relationship between municipal councils, mayors and the municipal administration
- The role of municipal councils in different forms of citizens' participation (local referendums, citizens' initiatives, public hearings, etc.)
- Municipal councils and the inclusion of minorities
- Legal provisions and policies oriented towards gender equality at local level

#### d) Other relevant indicators (human resource management, inter-municipal cooperation, capacity development and networking)

In order to identify the full potential of municipal councils for empowering local governance at local level, a number of other relevant indicators have been selected. These relate to internal organisation and training opportunities. More specifically, the analysis is oriented towards:

- Human resource management and the selection of the Head of Administration
- The role of municipal councils in inter-municipal cooperation
- Capacity-building instruments and motivation schemes for municipal councillors
- National and international networking schemes for municipal councillors

### 2.1. Countries in review - some key elements

The five countries considered for this comparative review are Albania, Serbia, Slovenia, Lithuania and Denmark. Two of these countries (i.e. Albania and Serbia) border Macedonia while Slovenia is from the same broader region and has already joined the EU. Lithuania and Denmark have been included as being relatively small and comparable countries. Denmark joined the EU in 1973 and Lithuania completed its successful accession to the EU in 2004. These countries were selected through a process of consultation between the expert consultant and the project team on the basis of a desk review and assessment of a number of countries. The five countries selected were also chosen to provide a balanced set of experiences, including EU and non-EU members, which should prove useful and relevant in the Macedonian context.

The external and internal factors that informed the selection of these countries for the comparative review are summarised below.

#### 2.1.1. External factors

Two of the countries included in this Review, Slovenia and Serbia, were previously part of the Yugoslav Federation, as was Macedonia. Albania is part of the broader region of the Western Balkans, but has followed a different historical path than these ex-Yugoslav countries. Slovenia joined the EU in 2004. The process of pre-accession to the EU,<sup>2</sup> which is still being undertaken by both Serbia, Albania and Macedonia, has served to level out differences between these local contexts in terms of public administration and local governance by fixing standards and targets. All of the countries included in this review have signed the European Charter of Local Self-Government of the Council of Europe, and thus share a common understanding of local government systems. Nevertheless, the mentalities and administrative contexts in Serbia, Albania and Macedonia remain strongly influenced by the recent past.

Lithuania and Denmark are both located on the Baltic Sea in northern Europe, an area with a long history of regional cooperation, knowledge transfer and exchanges of good practices.<sup>3</sup> This specific territorial location has also generated a strong sense of mutual solidarity and belonging.

The process of accession to the EU, moreover, has provided a new *raison d'être* for the countries in this region.<sup>4</sup> Lithuania has been a success story in its democratic transition and economic recovery since it gained independence from the USSR. Denmark is one of the most democratic countries in the world and one of the wealthiest countries in the EU. It is a country that is respectful of its citizens' rights and enjoys a very high level of good governance.

2 Serbia has been an official EU candidate country since February 2012, while Albania has been a candidate country since 23 June 2014.

3 All the countries on the Baltic Sea belong to some form of regional organisation(s), such as the Council of the Baltic States: <http://www.cbss.org> or <http://www.balticcouncil.org/en/sakums/>.

4 French term literally meaning "reason to be". Understood here as 'a new type of being/a new essential condition'.

## 2.1.2. Internal factors

Albania, Lithuania and Slovenia have approximately the same number of inhabitants (2–3.5 million), while Serbia has a population of 7 million.<sup>5</sup> Denmark's population is slightly over 5 million.

Lithuania, Serbia and Slovenia all have two tiers of local governance, i.e. state-level and municipality/city-level governments. These three countries also have a system of statistical regions, mostly for administrative purposes. Albania and Denmark both have regional level administration, with different systems of appointment/elections and competences. Albania and Denmark have implemented wide-ranging territorial reforms that have led to much-enlarged local government units.

COUNTRIES	TIERS OF LOCAL GOVERNANCE	NUMBER OF MUNICIPALITIES
ALBANIA	Central, regional and municipal tiers	61
SERBIA	Central and municipal tiers	174
SLOVENIA	Central and municipal tiers	212
LITHUANIA	Central and municipal tiers	60
DENMARK	Central, regional and municipal tiers	98

Denmark introduced local government reforms in 2007 that reduced the number of its municipalities from 271 to 98 and organised these into five large regions (replacing the small counties of its former administrative organisation). In 2016, Albania reduced the number of its municipalities from 373 to 61, organised into 12 regions. All of the mayors of these twelve regions, together with some municipal councillors, are represented on a Regional Council.<sup>6</sup>

As confirmed by this comparative review of these five countries and examples in other European countries, there is a **trend towards merging smaller municipalities and aggregating them in larger regions. This trend is driven by the aim of providing better levels of service delivery to citizens through rationalisation and merging resources.**<sup>7</sup>

It is interesting to note that in all five countries **autochthonous ethnic minorities** are clearly identified and reported in data. This issue has less relevance in Denmark (where ethnic issues are more focused on migration policies), but even there the issue is significant in relation to the German minority in North Schleswig, who enjoy a certain degree of autonomy.<sup>8</sup> The majority ethnicities in each of the four countries that provided data on this matter constitute approximately 80% of the total population. In Slovenia, besides ethnic minorities from the Balkans, Italians constitute the next largest ethnic group. In Serbia, Hungarians comprise the largest ethnic minority, concentrated mostly in the Autonomous Province of Vojvodina. In Lithuania, Poles are the largest ethnic group, while Albania's mixed ethnic minority population includes Greeks, Macedonians and other ethnic groups from the Balkans. The Roma community is present as a minority in all countries of the Balkans.

5 This Comparative Review does not include Kosovo.

6 More details about the Albanian regions in the text below.

7 For more information, see: <http://www.oecd.org/regional/regional-policy>

8 <http://denmark.dk/en/society/greenland-the-faroes-and-the-german-minority/the-german-minority-in-denmark>.

## 2.2. Research methodology

This review is based on a study of findings that have been systemized in a matrix with a key entry per indicator. The results of this study have been summarized here to allow for a more accessible presentation and to highlight the similarities and differences between the countries' systems of local government, with a view to the usefulness of this data for the Macedonian context. Some key innovative elements and specificities have been given particular attention and detail in this review in order to conceptualize some of the recommendations that are to be shared with different stakeholders. This review also includes research data which, while not strictly connected to the indicators, is nonetheless valuable for gaining a better understanding of the roles and functioning of municipal councils. The footnotes often provide references to more detailed explanations of the concepts. *Comparative boxes* are given in places to provide quick visual comparisons of different data.

The methodology of the study behind this review included the following steps:

- a) **Desk review/analysis:** Relevant material was collected from different sources, including legislation, literature, articles, and websites. The desk review was completed by *interviews with 'resource persons' in the different countries of the study*, including representatives of Associations of Local Authorities, key experts from the academia, civil society and practitioners.<sup>9</sup>
- b) **A policy workshop with key stakeholders for collecting data and exchanging views with relevant institutions:** The policy workshop gathered some 40 participants from government institutions, local authorities and NGOs. The workshop was designed to contribute to a more profound understanding of the local legislative and more factual framework in Macedonia and to share with all of them the quality and orientation of the indicators. The workshop was held in Skopje on 14 June 2017.
- c) **Field visits and interviews:** Field visits to municipalities were undertaken in the period 14–16 June 2017. These visits and interviews allowed for the collection of valuable data and for gaining a better understanding of the challenges and opportunities that local stakeholders see today in the empowerment of municipal councils. Interviews were held with the following representatives:
  - Representatives from the Ministry of Finance
  - Representatives from ZELS
  - Representatives from the Swiss Agency for Development and Cooperation in Skopje
  - Representatives from the Ministry of Local Self-Government
  - Representatives from the Municipality of Gradsko
  - Representatives from the Municipal Council of the Municipality of Kisela Voda
  - The President of the Committee of Councils within ZELS
  - Representatives of UNDP Macedonia

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9 List at the end of the document

## 3. FINDINGS AND RECOMMENDATIONS

### 3.1. General findings

The study for this review revealed some similarities in each indicator, but also differences and inspiring innovations. The fact that all the countries are member states of the Council of Europe and have ratified the European Charter of Local Self-Government provides a strong foundation for establishing similar structures of local governance and for implementing the principles of good local governance and local democracy. However, major differences can be observed in respect of their capacity for implementation.

In all of the countries included in this review, current legislation on local government assigns a more significant role to municipal councils than these councils play in reality. Practices can sometimes overcome failures and weaknesses in regulations, however, and even achieve quick and effective solutions. Our observations and recommendations in this review are intended to ensure that **expectations match reality**.

This review highlights good practices that give municipal councillors a key role in planning and monitoring finances and budgets in their municipality. All the countries included in this review follow the principle of engaging councillors in the work of commissions and committees dedicated to elaborating the budget. On the other hand, the role of executive bodies as well as of the administration remains essential in the field of budgetary issues at local level. The potential of municipal councillors to monitor possible overspending is still limited. This review shows the importance of having stringent legislation to regulate monitoring and control of overspending by combining internal and external controls.

The recommendations presented here are based on our review of the five countries and comparison with legislation and practices in Macedonia. They also emerge from a broader aim of strengthening the **democratic forums and councils of local governance to help communities achieve their objectives of stability, inclusiveness and socio-economic development**.

### 3.2. General recommendations

The following recommendations suggested by this review involve two levels of action: a) changes in regulations and legislation; b) the development of practices and cultural elements. Both of these levels of action should be addressed to achieve the goals of the Empowering municipal councils project.

- **To strengthen the sense of civic responsibility and value-oriented approach of municipal councillors.** Municipal councillors can and should be supported in developing a greater sense of civic responsibility towards communities. This can be achieved by adding value to their role in society and by balancing, in different ways, their role in local governance with respect to the mayor and the administration. Recommendations should also be rooted in the values of local democracy and service to the community by raising the ethical profile adopted by each municipal councillor. This could be achieved by drafting a **motivational scheme** for municipal councillors, as per the recommendations highlighted in this review. Such a motivational scheme must include interactions and partnerships between municipal councillors and citizens so as to strengthen mutual **respect and trust**.
- **To strengthen public trust in local governance.** The empowered municipal councils should strive to develop a new relationship between citizens and local government, thus strengthening trust and respect. The instruments proposed should support actions oriented in this direction.
- **To develop a system of checks and balances in local governance with a stronger role for municipal councillors.** Responsibilities at local level is not zero-sum game in which one actor must lose power at the expense of another. Each level of local governance has a global and transversal role, and the municipal council serves as the strategic and democratic counterpart of a stronger executive role for the mayor and the administration. Particular attention is paid to this point in the recommendations regarding municipal roles in finances and monitoring.
- **To develop continuous practices of citizen participation.** Local democracy means that engaging citizens and civil society in all its possible dimensions. Such participatory practices should be numerous and diverse and should engage different groups. Citizen participation does not entail a loss of time or resources; rather it is among the best investments that can be made in the future of the country.

- **To integrate the gender perspective** in the work of municipal councils and ensure balanced representation. Gender-oriented policies should be pursued in the work of municipal councils to the fullest possible extent.
- **To engage constructively with ethnic communities** and to ensure they are embedded in the composition and actions of municipal councils.
- **To have a practical and field-based approach to capacity-building that should be oriented to the pedagogical principles of adult education.** This approach should include awareness-raising and technical content components. Practices should be innovative and out-of-the-box instruments with the immediate possibility of quick implementation, tailor-made (almost) for each municipal councillor. The training component should have an optimum format of *learning by doing*, valorising the **problem-solving orientation** of local governance. It should adopt various technologies and methods such as **direct coaching** and identifying **best practices** and **champions**. Special attention should be paid to the **President of the Municipal Council**. Capacity-building practices should engage municipal councillors, **administrative personnel and mayors** and be aimed at empowering councillors. Members of **political parties** should also be engaged in these capacity-building activities.

As mentioned above, the general findings and recommendations briefly cover all indicators.

### 3.3. Key findings and recommendations per indicators

The key findings and recommendations of our study are elaborated in greater detail below in order to enable a better understanding.

#### 3.3.1. The functioning of Municipal Councils and their structure

##### 3.3.1.1. Electing Municipal Councils

###### **Findings:**

Elections and the composition of candidate lists for future municipal councillors are a crucial opportunity for selecting valuable and committed candidates. Interviews with stakeholders in Macedonia and in the countries included in this review indicate a **quasi-monopoly of the party-political system over the nomination of candidates to the lists**. Most of the interviews conducted for this review highlighted the limit of this system, which is consequently unable to secure capable and engaged councillors. Despite experiencing similar conditions (party lists), some countries have managed to recruit more engaged councillors (as in Lithuania), which is due to the social valorisation of the role of councillors in local governance rather than relying solely on legal provisions. **In all EU countries it is possible to vote for local councillors and to be voted for if you are resident in the municipality, even if you do not have citizenship of the specific EU country.** This is important in order to link citizens to their community and include them in local life. However, this is not accepted in Macedonia, Serbia and Albania. **Civic lists** are possible in all of the countries reviewed, although they are not common (and in Lithuania they do not exist).

###### **General recommendations:**

- **To engage in dialogue with political parties**, which are key players in composing candidate lists in Macedonia, in order to make them more inclusive and balanced.
- **To further strengthen the citizens' and civil society's approach** by empowering legislative orientation and practices, including having **civic lists**, which are particularly valuable in small municipalities. In this regard, the electoral system should also be more oriented to having open party lists and valorising voters' preferences.
- **To enhance the "local problem-solving approach"** of local governance in preparing elections and keeping as much distance as possible from reflecting national politics, as well as to stimulate the engagement of ordinary citizens.
- **To work with civil society groups and local authorities well in advance of elections in order to raise awareness of the values and importance of local governance**, so as to mobilize and engage citizens

(through *visibility and communication campaigns, forums and debates presenting the challenges and roles of local authorities and the importance of the work of municipal councillors*). In this case, the neighbourhoods of a municipality can play an important role in disseminating information and raising awareness of the capacities required to become effective future municipal councillors.

### 3.3.1.2. The competences of Municipal Councils

#### **Findings:**

As member states of the Council of Europe, the countries reviewed have similar subdivision of powers among local governance bodies. Municipal councils maintain the tasks of a) strategic orientation, b) overseeing the work of the executive, and c) maintaining liaison with the citizens. Some of the countries reviewed have introduced interesting elements, e.g. Denmark has added to local governments' competences the task of including migrants and assisting the unemployed. Lithuania has added the duty that municipal councils should approve "the line of conduct to be held with citizens". An important aim behind this whole review is the need to *transform into reality* the legal provisions that attribute significant importance to the councils.

#### **Recommendations:**

The subdivision of tasks among the different bodies of local government in Macedonia is satisfactory in terms of legislation, but should be strengthened by introducing more **practices** valorising the role of municipal councillors.

- Given the Macedonian context of local government, these improvements **cannot be left only to good will and practices**. They will need to be supported by changes to the law and to the **internal regulations shared (and discussed/prepared) by municipal councillors** using ZELS to help with coordination.
- **To achieve a better balance between municipal councillors and mayors/administrative personnel** through new provisions and the valorisation of councillors' input. One possibility would be to give municipal councillors the role of undertaking **research** and formulating **recommendations** to be discussed during the meetings of municipal councils – thereby giving them a more substantial role. It is important that the valuable experience of relevant NGOs is included as input into the work and sessions of municipal councils.
- To add relevance to the strategic **role of municipal councillors** by including the specific rules, practices and internal regulations to be followed.
- **To emphasise the need for checks and balances in local public finances, with an empowered role for municipal councillors** (as has been highlighted in the cases of Lithuania and Slovenia).
- **To add more practices (laws or internal regulations) for establishing compulsory dialogue between local authorities and local communities in order to facilitate more input from citizens**. This review highlights the better results achieved in this regard by the Northern European countries surveyed, while the countries from the Balkan region need to achieve major improvements in establishing greater dialogue.

### 3.3.1.3. Committees and internal bodies of Municipal Councils

#### **Findings:**

Committees and commissions are an important part of the work of municipal councillors. Apart from at the Plenary of the Council, this is where councillors have **major potential for work and input**. It is important to consider the possibility of **enhancing the meetings of committees through the participation of experts and other citizens** (as in Slovenia and Denmark). In addition to regular committees and commissions, Lithuania has **established commissions on ethics and anti-corruption**. Denmark has also introduced intermediary bodies (more structured and permanent committees) such as **magistracies** for cities like Copenhagen and Aarhus. This provides local authorities in Denmark with a degree of autonomy in self-organisation, as prescribed in the legislation. The issue of **evaluating the work of such commissions** is difficult for all the countries surveyed in this review. This remains linked to *participation* in sessions (and penalties in case of



non-attendance). Lithuania has introduced the practice of publishing annual **public reports** on the work done by municipalities. The work of committees and commissions are always assisted by the administration. This review highlights that local government need a certain autonomy to establish committee and working structures, partly decided autonomously by municipal councils and by their own internal statute or regulations. Practice differs from legislation, however, only Denmark has its own compulsory finance committee, chaired by the mayor. Serbia has a long list of compulsory committees. None of the countries reviewed have compulsory committees on gender and minorities issues except Serbia. But it is different in practice. We often find a finance committee and a gender and ethnic committee in Albania.

### **Recommendations:**

The work of committees **should be an essential component of the work of municipal councils and should be further valorised**. Committees provide opportunities for discussion and better understanding of issues, serving as forums for the preparation and elaboration of issues of concern to the municipal council.

- **The participation, current work and outcome of committees should be valorised and strengthened with resources, bonuses and rewards (for champions).**
- **Passivity on the part of councillors on committees should be reported in the records of councillors and be subject to sanctions.**
- **New committees** that appear to demonstrate good practices **should be identified, such as Albania's transparency committees and ethics committees.**
- **Administration personnel should be trained and prepared to assist actively in the work of committees and to understand their own roles.**
- **Special emphasis should be given to committees on equal opportunities for men and women.** Such committees should have a mainstream role cross-cutting the policies of the local authority. The role of equal opportunities committees is especially important in applying a gender perspective in budgeting principles.
- **Dedicated support should be provided for the President of the Council** so that he/she can valorise the work of various municipal committees.
- **It is recommended that committees be open to citizens, which is a practice already implemented in many of the countries reviewed.**
- Committees have an **advisory role** in policies and decisions proposed for vote to municipal councils, and they represent the working structure in periods between the sessions of the council. **This advisory role should be strongly valorised** to ensure they are considered politically relevant.
- In order to valorise the role and importance of the participation of council members in committees, decisions should be made by **the majority of committee members** and not only those attending. This would stimulate greater participation.
- **In order to valorise committee meetings, dedicated meeting rooms and other facilities** should be allocated in the municipality's premises.

#### 3.3.1.4. Rules of procedure of the Municipal Councils, preparation and dissemination of material for councillors' decisions

##### **Findings:**

Documents are prepared by the administration and sent to councillors prior to meetings of the municipal council. In most cases, especially in Albania and Serbia, interviewees pointed out the limited capacity of municipal councillors to review such documentation well in advance so as to prepare for amendments. The documents are often only revealed at the meetings of the council, thus reinforcing the notion that the meetings are essentially no more than a mechanism for voting in accordance with the directives of political parties. Different departments prepare the material and documents internally. In Serbia, the Secretariat for General Administrative and Common Affairs is centralising the support to the council assembly and the mayor. In Slovenia, several companies offer help with the preparation of legal acts. The practice of using external technical support for certain issues is also common in Albania.

##### **Recommendations:**

In Macedonia, the material for council meetings is also prepared by the Administration. These documents are then discussed in committees before being submitted to council meetings. However, weak municipal councillors need particular attention in order to be able to interact more effectively with the information at their disposal.

Given that municipal councillors are not able to understand all the details of complex policies, they will need particular coaching and instruments to enable them to make and express constructive and well-informed decisions. Not providing councillors with the means to understand policies shows a lack of trust and respect that will lead to demotivation and erosion of the sense of civic responsibility implicit in their mandate. Documents prepared by the administration for the council could include **some facilitation points** (some of these points could involve **capacity-building for administrative staff**). Documents and accompanying material should be delivered **on time** and it should be **ensured that they are well received**.

We propose the following improvements:

- **Point-by-point summaries that** avoid overly-technical and bureaucratic language.
- **Summary outline presentations and visualisations of issues** (photos, graphs, oral summaries, and outlines instead of long narrative texts). Most of these practices are frequently applied in Danish municipalities.
- **Specific coaching sessions**, through individual visits or by preparatory briefings from administrative staff to municipal councillors. (These are recommended even if not practised in the countries reviewed).
- **Managing committees and municipal councils** with a more professional attitude towards inclusiveness (flip charts, visual presentations, etc.).
- **Special training for councillors on some particularly difficult issues** (specific training for municipal councillors can be considered in the budget of the municipality – see later points).

#### 3.3.1.5. Remuneration of municipal councillors

##### **Findings:**

This review indicates that different methods are used for remunerating municipal councillors. Remuneration is important but should not become the main motivation for councillors' civic engagement. The approach is shared by all countries examined, which do not consider councillors simply as "working for municipalities" but as being **volunteers** (with specific reimbursements).

### **Recommendations:**

An important approach for Macedonia will be to link the **commitment and importance of the position to remuneration** in order to limit the consideration of the role of councillors as a paid job with limited work and “no” responsibilities. The following improvements are proposed:

- **Linking remuneration to participation in councils and committees** (in this case with an innovation in Macedonia), as already practised in Denmark and Serbia.
- **Linking remuneration to action plans and initiatives of councillors that contribute to specific discussions and research/processes** (such as in-depth reports or engaging with citizens).
- **Championing and awarding councillors** for special commitments that could become a motivation for other council members.
- **To sanction passivity, lack of interest and unproductive attitudes.**
- Financial recognition of councillors’ work is important, because the general understanding is that they provide a civic service. Such financial recognition should also be **linked to an evaluation of their effective work.**

### **3.3.2. Municipal Councils and their role in finances and budgeting**

The comparative study highlighted the benefits of having **a stringent regulatory system, including both internal and external bodies**, that can monitor public spending and possible overspending. This review presents the success of countries with **multiple layers of control** (such as Slovenia and Lithuania) and **with internal and external actors**. This is also the approach envisioned for Macedonia. A lack of control cannot be compensated for by voluntarism and the good will of particularly professional and dedicated councillors. Monitoring and financial control are very important dimensions of the checks and balances. Below are highlighted some of the key elements that could contribute to the Macedonian case.

#### **3.3.2.1. The role of Municipal Councils in the budgetary process**

##### **Findings:**

The preparation of the municipal budget includes **consultations at committee level and then discussion and decisions at council level**. The budget is prepared by the **administration** and proposed by the **mayor**. Important inputs are gained by consulting **neighbourhood units and their coordinators**, as in Lithuania. Danish municipalities, which enjoy considerable autonomy, also use other instruments of consultation with citizens when defining budgets (such as citizens’ summits for more visionary and long-term plans). **Participatory budgeting** has been tested with some success in Albania and in Serbia.

##### **Recommendations:**

A major role in budgetary planning is often played by the municipal administration, (technicians and executives) who prepare figures and data for the council and committees.

- **The role of municipal councillors could be enhanced by more regular and effective meetings open to their contribution** (well-prepared to stimulate their input and participation).
- The engagement of citizens through **neighbourhood units** should be strengthened.
- A **responsible person** in the administration should be trained to support these consultation processes. **Participation instruments should be introduced, such as open-space methodologies, world coffee sessions, etc.**
- Practices of **Participatory budgeting**, such as Community Forums or other innovative forms, can be either introduced as such in regulations or extensively promoted and valorised as good practices (and additionally supported with a **bonus** in budgets).

### 3.3.2.2. Municipal Councils' control on overspending

#### *Findings:*

In all the countries reviewed, the municipal council has the role of **overseeing and deciding upon the municipal budget and the future costs and expenditures for the municipality**. However, the **lack of any personal accountability** on the part of municipal councillors for such decisions may undermine their involvement in this process. Controls on overspending can be implemented through **internal and/or external auditing, with municipal councils having different roles in these procedures**. Some countries require both internal and external audits. Two of the countries reviewed have established semi-external bodies: **controllers in Lithuania** and **supervisory bodies** in Slovenia. In general, none of the countries reviewed has instituted **direct responsibility** on the part of municipal councillors for overspending at municipal level. (Control is also often linked to debts and loans, which will be covered below).

In Macedonia, oversight of the budget is exercised through a combination of internal auditing through a finance committee and quarterly control of the budget, and an external audit by ministries and other government institutions. However, the country's loose approach to monitoring municipal budgets has served to increase the public debts of local authorities and thus requires tighter controls.

#### *Recommendations:*

- **General competences for understanding the basic principles of budgetary control should be provided** to municipal councillors. Such capacity-building must be effective and based on real cases. Where possible, training should be provided within the municipality itself.
- External or partly external audits should be introduced to support municipal councillors, for example by **enhancing finance committees through the inclusion of experts and other citizens** (as is the case in some of the countries reviewed) or by adding specific elements, such as the **supervisory committees** that operate in Slovenia.
- New forms of citizens' control should be introduced, by **appointing citizens at random** (and then training them) to oversee the work of the municipality, together with municipal councils.<sup>10</sup>
- A more **regular and substantial control of expenditures versus revenue** should be put in place, for example following the example of the six-month budget introduced in Albania.
- Regular **open reports on budget expenditure should be published for citizens**, using innovative methodologies that increase inclusiveness rather than perpetuate the gap between institutions and the public.
- **External audits** should become a rule/practice (as in Denmark), coordinated and paid for by the Ministry of Finance.
- **Training in specific effective budgetary tools** should be organized, such as **gender-sensitive budgeting**.
- Municipal councillors should bear direct personal responsibility for overspending municipal budgets and it is important to raise the **ethics of this process**. (None of the countries reviewed have instituted such direct responsibility).
- **It is important to valorise the municipal councillors' responsible management and the fact that they are maintaining the balance of the community jointly with the efforts of mayors.**
- To **introduce a clearer and more stringent role for municipal councils in the approval of debts (such as unpaid invoices and costs)**, in particular when it comes to possible accountability schemes that have an impact on the future of the municipality.

<sup>10</sup> This example has proved effective in the city of Strasbourg, France.

### 3.3.2.3. The role of Municipal Councils in determining municipal taxes

#### **Findings:**

Municipal councils are responsible for determining the level of taxes. Some countries, such as Denmark, are autonomous in raising the level of taxes, i.e. they can decide them by themselves. Others are limited within a range determined by the national government, as in Macedonia. The amount of revenues raised by taxes is often marginal in countries where the process of decentralisation has not yet been well established and where the majority of resources come from the State.

#### **Recommendations:**

- Special attention should be given to training and capacity-building to help **municipal councillors understand and work on local taxes**. Municipal taxes should be presented as opportunities for having more and better local services.
- **More activities linking civil society groups and municipal councillors** should be established in order to valorise the link between local taxes and the services provided.

### 3.3.2.4. Procurement plans, local authorities' debts and properties

#### **Findings:**

Municipal councils are responsible for planning the general annual budget and for long-term budget planning. Municipal councils thus also have a role in the incurring of debts. In all the countries reviewed, municipal councils have a role in acquiring and disposing of properties. Municipal councils are less involved in procurement plans, since these are usually left to bureaucratic procedures within the costs estimated and approved in municipal budgets. Denmark has introduced the **practice of sanctioning municipalities for debts and overspending**. However, a more productive alternative would be to introduce a practice of **awarding bonuses** for municipal councils that demonstrate exceptional good practices in the management of public finances. In Serbia, most municipalities have public procurement units (departments) responsible for performing public procurement procedures in accordance with the law, and for which funds are provided in the budget or in the financial plan.

#### **Recommendations:**

- **Special attention should be raised in the understanding of the municipal council in regard to procurement plans and debts**. Dedicated procedures should be put in place to enable constant monitoring, as well as dedicated commissions.

### 3.3.2.5. Internal and external control

#### **Findings:**

Internal and external controls are foreseen in all of the local governments reviewed. In some countries, such as Denmark, external audits are compulsory. In some countries, internal and external audits are recommended if resources are available. Strict controls at multiple levels seem to be a guarantee for the sound management of public resources. Slovenia and Lithuania have adopted specific external bodies to monitor municipal budgets and complement the work of the municipal council.

#### **Recommendations:**

- **Internal capacities for budget control** should be **strengthened** (e.g. the capacities of finance committees) and the awareness of municipal councillors should be raised.
- **External audits** are recommended in order to **complement internal audits** so as to monitor public budgets more strictly.

### 3.3.3. The role of Municipal Councils in good governance and democracy at local level

#### 3.3.3.1. Structural relationship between the Municipal Council, the Mayor and the Municipal Administration

##### **Findings:**

Albania, Slovenia and Lithuania have opted for the direct election of mayors, while Serbia and Denmark have opted for the election of mayors by municipal councillors. In the case of direct mayoral elections, as in Slovenia and Lithuania, the Mayor also chairs the municipal council, while in Albania the council is chaired by the Chair of the Council and not by the mayor. In Denmark, mayors are elected from among the council members and the council is chaired by the mayor. In Serbia, mayors (President of the Municipality) are chosen by the municipal assemblies, and these assemblies are chaired by the President of the Assembly.

In the case of direct mayoral elections, the party-political composition of votes for the mayor may differ from the composition of votes for councillors. Mayoral elections tend to be more focused on leadership and personality than elections based on party lists. Such different political backgrounds can lead to institutional deadlocks within the municipality.

The role of the mayor (especially in countries of the Western Balkans) is emphasized over his/her actual prescribed in the legislation. The interviews and desk study undertaken for this review confirmed that councillors have less influence on local governance than mayors. This is because of the mayor's responsibilities for public resources management. This relationship remains very unbalanced and the disparity is even greater when mayors are elected directly by citizens.

##### **Recommendations:**

The relationship between municipal councillors and mayors seems to be a crucial and sensitive element of local governance in Macedonia. Constant dialogue between these two actors should be introduced by means of internal regulations. In many cases the mayor has a permanent and working position as head of the municipality while the municipal councillors spend only part of their time and are not considered to "work" for the municipality. The following steps are recommended to address this imbalance:

- a) **To valorise the quality and importance of municipal councillors' inputs** (for example, avoiding criticizing them on the basis that they are not 'professionals').
- b) **To support mayors and their administrative teams to ensure more systematic feedback from municipal councillors.**
  - **To enhance the competences and coordinating role of the President of the Council.**
  - **To promote and valorise actions that enhance cooperation between mayors and municipal councillors, highlighting examples of good practice**, such as presenting action plans for enhancing cooperation and meetings.
  - **To introduce different ways of including municipal councillors as much as possible in the preparation and sessions of the council meetings.** For example, Skype conference-calls could be used when municipal councillors are not immediately available. Such facilities would serve to valorise the importance of councillors' input. The timing and agendas of meeting should also be discussed and planned in order to allow for councillors to plan their attendance and prepare input.
  - **To ensure that minutes of discussions and meetings** are kept and to ensure sure that decisions and discussions between the mayor and the councillors are **transparent and recorded.**
  - **The mayor and municipal council should promote regular strategic meetings**, using appropriate instruments such as **open space methodology and mediation processes assisted by coaching.**
  - **As far as possible**, the presidents of municipal councils and municipal council members should have their own "**spaces**" and "**rooms/facilities**" in the municipality so that they can work independently and receive citizens and CSOs.

### 3.3.3.2. The role of Municipal Councils in different forms of citizens' participation (local referendums, citizens' initiatives, public hearings and other forms)

#### *Findings:*

Practices of participatory democracy are present in all of the countries reviewed. Some of these practices are included in legislation, including **local referendums** (except in Lithuania), **citizens' initiatives and public hearings**). This review presents the implementation of many innovations with the involvement of municipal councillors. **Participatory budgeting** has been instituted in Serbia and Albania with the support of international programmes. Some countries have introduced broader forms of consultation, such as the use of **citizens' summits** in Denmark, which are used when it comes to visioning and spatial strategies for local communities. An interesting example is that of **senior citizens' councils** in Denmark, which enhance cross-generational input in policy-making at local level. Strategic planning and urban planning are also areas in which councils engage with citizens, as in Macedonia. Municipal councillors, however, are often not directly involved in these processes, which concern mainly the local authority as a whole. Albania recently established the legal grounds for interesting developments by stressing the importance of **coordination (engaging transparency coordinators and public announcement and consultation coordinators)**. **Local Action Groups** deserve a particular mention here, especially those groups dedicated to rural areas (as in Lithuania). In Lithuania, **public reports** are prepared by **ethics commission** and **anti-corruption commissions**. In Albania there is an obligation to appoint a **transparency coordinator**, to adopt a **transparency programme** and to appoint a coordinator **for public announcements and consultation**.

#### *Recommendations:*

The Review recommends a widely supported approach to participatory democracy. Dialogue with citizens should be at the very core of local governance.

**Raising awareness of participatory democracy and building capacities to practise such democracy should be widely and systematically applied** in the management of public affairs. Such efforts should include municipal councillors, mayors and the administration, training of trainers and practitioners' involvement should be given priority.

- **An assertive capacity-building and awareness-raising of participatory approaches should involve the president of the municipal council.**
- **Practices that involve citizens**, such as public hearings on different issues, citizens' initiatives and local referendums, **should be valorised** and municipalities that implement such practices should be presented as examples of good practice.
- **Municipal councils should be required to present action plans for involving citizens and creating effective participative democracy** (as in Slovenia where the municipal council identifies practices involving citizens).
- **New forms of participation that valorise citizens' contributions should be considered**, including online participation, open space methodology, world café methodology, on-the-spot meetings and sessions (not always meetings in the municipality), results-oriented training and capacity-building, problem-solving, regular polls and the use of different technologies.
- **The practice of including citizens and CSOs in the work of committees should be further enhanced and valorised.**
- **Constructive dialogue with specialised civil society groups** should be undertaken and enhanced to improve citizens' inputs in decision-making and policy-making processed at local level for specific interventions.
- **A focus should be placed on strengthening a gender-sensitive approach, not only in the elections phase but also in municipal policy-making and policy implementation.** The orientation should not only be focused on having more women as councillors but also on having policies and decisions supported both by men and women and oriented to valorise and encourage women's empowerment in the whole society.
- **Practices that include different ethnic groups, such as commissions on inter-ethnic dialogue, should be further strengthened, both by increasing the number of ethnic representatives in municipal councils and by promoting integrative policy-making.**
- An annual '**social report**' could be added to the implementation reports and budget reports of municipalities.

### 3.3.3.3. Municipal Councils and inter-ethnic inclusion

#### **Findings:**

The countries reviewed have limited mechanisms for ensuring greater representation of ethnic minorities on municipal councils. Those mechanisms that do exist are mostly focussed on regulating the electoral lists (though not in every country reviewed). Otherwise the countries have quite weak strategies to ensure the permanent inclusion of minorities in policy-making and other work of municipal councils.

Slovenia and Serbia have mechanisms for including more representatives of minorities in candidate lists in communities where minority groups are relevant by number (like the Hungarian community in Vojvodina). In this case, the party representing the minority can obtain councillors seats even if it does not reach the minimum threshold applied for other party lists (not representing minority groups). This secures representation on municipal councils. Another example is found in Lithuania, which has list of parties affiliated to ethnic groups.

#### **Recommendations:**

- **To further strengthen the representation of ethnic communities representatives** by strengthening regulatory elements (indicating those mentioned above) but also practices.<sup>11</sup>
- **To raise awareness** among ethnic communities of ways in which they can contribute actively to the whole community. Awareness-raising activities could also be carried out among the majority ethnic group to highlight the importance of involving all communities.
- **To facilitate the inclusion of minorities** by lowering the level of formal requirements for eligibility to run in council elections.
- **To strengthen the presence and activities of commissions representing ethnic communities, with a dedicated action plan supported by the municipal council** and with reporting accountability at the end of the mandate.

### 3.3.3.4. Legal provisions and policies oriented towards gender equality at local level

The **principle of applying quotas** for women in municipal elections has been successfully implemented in Slovenia, with increasing targets of up to 40%. **In contrast, countries that have not applied quota policies, such as Denmark, have seen a sharp decrease in the participation** of women in elections. The practice in Serbia of stipulating that there must be a minimum of one **woman in every three candidates** has proven effective, considering the system of proportional representation. Nevertheless, an overly ambitious target, as for example the target of 50% set in Albania, risks not being immediately implementable, and rules that are not implemented without explicit sanctions are often understood to be unimportant and undermine the relevance of the topics they are intended to address.

This review emphasises that quota systems substantially improve the likelihood of women standing for election in greater numbers, thus improving the chances of women being elected.

#### **Recommendations:**

- **To further strengthen a progressive quantitative quota of women** in candidate lists and raise awareness of the importance of gender equality issues among future male and female candidates before composing candidate lists. **The principle of having women in balanced positions on the lists could also be considered.**
- **To identify the legal consequences of non-compliance with the rule of gender balance.**

11 Here also referring to the Lund recommendations on the Effective Participation of National Minorities in Public Life, in particular Part III, Self-Governance (<http://www.osce.org/hcnm/32240?download=true>), and the Ljubljana Guidelines on the Integration of Diverse Societies.



- **To develop greater awareness raising and capacities** of women, communities and parties of the need for more balanced gender representation in candidate lists. (Training has been implemented successfully in Albania on national legislation, local government, and also personal skills, exchange programmes and develop mentoring programmes).
- **To strengthen commissions on gender balance** that support municipal councils in adopting gender-mainstreamed policies, with a dedicated action plan and accountability at the end of the mandate.
- **To further engage with CSOs** to support engaging women in policy-making at local level.
- **To identify networks at regional and EU level in order to facilitate exchanges of best practices** in relation to engaging women councillors, valorising them and giving them a stronger role in policy-making.
- **To enhance gender mainstreaming policies and understanding** among local public servants (failure also evidenced in Denmark).
- **To establish an association/council that will support women elected to municipal councils** (such as the Women's Councils in Denmark).

### 3.3.4. Other relevant indicators (inter-municipal cooperation, capacity development and networking)

#### 3.3.4.1. Human resource management and the selection of the Head of Administration, staff and career plans for civil servants

##### *Findings:*

There is a link between the municipal council decisions and the organisation of the local authorities in terms of staff. It can go into detail like in Albania, where the municipality decides the salary and bonus rate for employees, or it could be a looser one, as in Serbia, where the Municipal Assembly "makes decisions on the organisation of the municipal administration". In Denmark, little has been decided on this topic since each municipality has been given free rein to administrate its structure. The head of the administration can also be appointed by the municipal council, as in Albania and Serbia, or directly appointed by the mayor, as in Slovenia. However, in both cases, the relationship between the mayor and the head of the administration is closer than with the council. The monitoring and evaluation of civil servants and the administration is regulated by the law on civil service.

The practice of the **systemisation plan** used in Macedonia is generally followed in other countries, even if the details of councils' decisions vary in terms of the level of salary and number of employees.

##### *Recommendations:*

In many of the countries reviewed, the secretary of the municipality or the head of the administration is selected through negotiations between the mayor and the municipal council. In Macedonia this selection is made by the mayor alone. **A more inclusive role for the municipal council in choosing the secretary of the municipality is recommended.**

#### 3.3.4.2. The role of Municipal Councils in inter-municipal cooperation

##### *Findings:*

- a) **Inter-municipal cooperation** exists in all the countries reviewed. It is mainly voluntary but can be compulsory, e.g. in Denmark such cooperation is compulsory for fighting fire and for the prevention of accidents. Such cooperation is well-elaborated in the Law on Self-Government recently introduced in Albania, wherein it is specified such **cooperation should be for the common good of the local government**. The **municipal council needs to approve the shared services and budget implications of inter-municipal cooperation**. In Serbia, cooperation among Regional Development Agencies combines the efforts of different municipalities. As a practice, inter-municipal cooperation is identified in the review to **rationalise service delivery** for smaller communities.

Initiatives for inter-municipal cooperation are based on economic and efficiency needs. Such cooperation can take the form of agreements among municipalities (where one municipality is the provider and the other is the user of services) or they can merge in a partnership (for instance within a public company) so as to deliver services jointly (such as energy or public transport services). In Slovenia, inter-municipal cooperation initiatives are eligible for state funding for up to 50 % of their cost.

- b) **Inter-municipal cooperation at international level** is also accepted by the legislation. The review further highlights the great potential of such cooperation for raising awareness and building capacity for the implementation of municipal responsibilities, especially in Lithuania and Denmark, as well as for generating **regional solidarity**. However, it is most often the mayors and civil servants who engage in capacity-building, while municipal councillors represent a weak part of this programmes. Albania's recent Law on Self-Government has a dedicated section on the rights and duties of cooperation between municipalities, including **the right to cooperate at the international level**.

### **Recommendations:**

#### **a) Inter-municipal cooperation**

Municipal councils are actively involved in adopting inter-municipal schemes and support. What is less clear is how inter-municipal services are financed. The following recommendations are proposed:

- **To increase awareness and knowledge of the opportunities available** (as an alternative source of funding or solutions) **among the municipal councils and to consider the possibility of introducing mandatory inter-municipal cooperation.**
- **To support and strengthen the role of municipal councils in monitoring the results of inter-municipal cooperation.**
- **To identify new ways of financing inter-municipal cooperation raising the awareness of municipal councillors.**

#### **b) Inter-municipal cooperation at international level**

**Since international inter-municipal cooperation or decentralised cooperation** can be of great benefit in improving the awareness and competences of municipal councillors by engaging them in best practices exchanges, it is recommended that such cooperation be further facilitated and valorised.

- **Municipal councillors should participate more actively** in decentralised cooperation projects and international inter-municipal cooperation.
- **A dedicated member of staff** of the municipality could be identified and trained for this purpose.

### 3.3.4.3. Capacity-building instruments and motivation schemes for municipal councillors

#### **Findings:**

The study found **weaknesses in training programmes for municipal councillors**. The most efficient and consistent programmes seem to be those in Lithuania and Denmark, where councillors follow a training programme from the very first days of their election to office and are subsequently enrolled in constant update activities. **Associations of Local Authorities** play a key role in this training. Weaker and somewhat *ad hoc* training programmes are found in Slovenia, Albania and Serbia. Most of the training programmes are – at national level – designed for administration personnel, civil servants (on technical issues) and local leadership. Albania recognises the need for training: **“a councillor has the right to professional training according to a programme approved by the municipal council”**. This review has identified a lack of motivational schemes and training in soft skills for municipal councillors, while current training is more focussed on legislation and the functioning of local government.

#### **Recommendations:**

The following recommendations are proposed to consolidate the capacities of municipal councillors:

- **Municipal councillors should be trained on a rolling basis, as soon as possible after being elected**, with the purpose of building their capacity to contribute to local governance from the start of their mandate. A special role could be played in such training by the Association of Local Authorities, as is the case in Lithuania and Denmark.
- **The majority of training for municipalities should be free of charge** (possibly in cooperation with accredited training centres) and should be focussed on building implementation capacities and quickly applied actions.
- **Training programmes should be both technical** (introducing councillors to the concept of their position's function and local governance) and **oriented to values, attitudes and responsible behaviour**. In particular, training should substantiate in a capacity-building process oriented to **strengthening motivation through a dedicated scheme** (to be identified) based on social recognition of the work (rewards and penalties) and engagement of municipal councillors in problem-solving at local level. **Responsibility and self-esteem come from a social context referred to the community and react to simple facts.** (“I am responsible and valorised because: i.) It is my **duty** to be so; ii.) It is **important** that I am; iii.) I **can make it**; iv.) I am requested, required to be so and **appreciated** for being so; v.) I am making a difference.
- **Training for empowering municipal councillors should be extended to municipal staff, the mayor and the mayor's office.**
- Following the example of some of the countries reviewed, training can be **provided by different agencies**: a) the state, b) associations of local authorities, c) certified training centres. It is recommended that all aspects of local governance be included and complementary, recognising a **“training label and curriculum”** for each councillor.
- Training should follow the principles of **adult education, i.e.** the principle of **“learning by doing”**. Training should be inclusive and interactive.
- Municipal councillors should receive **training in mediation, negotiation, the application of an inclusive approach and conflict-resolution management to citizens and leadership**.
- Training courses should deliver knowledge and expertise from specialized **Civil Society Groups** in the communities, especially in the areas of **gender equality** and **inter-ethnic relations**.

#### 3.3.4.4. National and international networking schemes for municipal councillors

##### *Findings:*

Networking programmes exist for local authorities in all the countries reviewed through the programmes of the Council of Europe and the Committee of the Regions. However, councillors are less involved in these network programmes and their position should be improved. **Thematic networks** for municipal councillors are present in Denmark, with positive results. Many programmes support initiatives for sharing practices, such as the cooperation between ALDA and Energy Cities.

##### *Recommendations:*

As described in some of the examples of the review, it is necessary to develop a **sense of belonging among municipal councillors**:

- **Networks of municipal councillors grouped according to specific committees and topics** could be organised. These could have regular policy-making meetings and capacity-building activities (e.g. on urban planning, finances, prevention and safety, etc).
- Based on the experiences of some of the countries reviewed, such as Denmark and Lithuania, a **regional network could be valuable**, since municipal councillors are already using this geographic context to meet and to discuss common topics relevant to their local governance mandates (thus building a sense of regional solidarity).
- The possibility should be considered of creating a **network of municipal councillors in the Balkan region** using the existing network of local authorities, in order to provide councillors with a **platform for exchanging good practices and transferring knowledge in different specific areas**.
- **The presence of municipal councillors in the delegations of different networks of the Council of Europe and at EU level** or in specific networks could be strengthened.
- **It is recommended that a particular focus be placed on engaging associations of local authorities in the Balkans to develop a network of good practices of municipal councillors.**

## 4. COMPARATIVE REVIEW

### 4.1. Municipal Councils in Macedonia, our starting and ending point

The Macedonian context is the starting point and ending point of this Comparative Review. Below are presented some of the key points based on the research and meetings between stakeholders.

Despite positive and balanced legislation, Macedonian municipal councils are still identified as a **frail element in the local tier of governance**. The unbalanced relationship between the executive power of mayors and the role of municipal councillors remains a weak point. In times of economic difficulties (especially for smaller municipalities), the role of municipal councils is fundamental but largely underestimated.

Municipal councillors rarely contribute inputs of sufficient quality input into the drafting of policies or it does not perceive all the aspects of the issues presented and elaborated in its substantial part only by the administration. This weakness is partly due to lack of competences, but it is also the result of an inadequate social and motivational framework that fails to incentivise councillors to attain more skills and information. The **general perception that the role of councillors is weak**, based on the view that they are elected according to a party-political voting scheme, imposes a limit on the development of adequate decision-making capacities and responsibilities among councillors, resulting in a lack of motivation for self-improvement and taking on responsibilities. All of these aspects constrain the strategic role and guidance that councillors must provide.

As in many other countries emerging from a transitional period, municipal councillors in Macedonia are perceived more as *formal than substantial* democratic bodies. Some good examples of participatory planning (such as Community Forums and the process of consulting citizens and neighbourhood units when drafting the annual budget and programme) are here to stimulate the unlocking of potential in engaging citizens with municipalities and even more with councillors. The capacity to engage citizens in a participatory approach and long-term strategic perspective remains weak, partly due to the weaknesses of municipal councillors.

Macedonia has two level of governance (central and local) and planning regions. It is a small country in the Western Balkans Region at the centre of regional historical friendships but also long-standing difficulties. It is a member of the Council of Europe and has ratified the European Charter on Local Self-Government. **It has engaged in a process of decentralisation**, local democratisation and empowerment of local units with elected councils and executive bodies. Macedonia has been an EU candidate country since 2005 and, therefore aspires to governance standards proposed in the Chapters of the negotiations. All of the units of self-government, i.e. 80 municipalities plus the City of Skopje, are gathered in a national association called ZELS.<sup>12</sup> In recent years the political spectrum, which directly affects the opportunities for municipal councils to interact with different stakeholders in local governance, has been dramatically **polarized in a binary logic of “with or against”**. This dysfunctionality also affects municipal councils, which should be more oriented to problem-solving within the competences of local government. Political parties are often the only point of reference (in the good and in the bad) for obtaining information, which limits the collective and democratic process that should take place in municipal council sessions and committees.

With regard to **finances**, municipal councillors often have a role but lack the necessary competence to grasp all the information needed to make sound and coherent decisions. The financial performances of municipalities vary, but in general the decisions made by councillors on financial matters are often too optimistic and unrealistic (leading to back up overspending). Councillors often lack competences and preparation to grasp the complexity of public spending (current annual accounts, debts and arrears, investments costs, local revenues, visioning, etc.). Some municipalities have their accounts blocked for overspending and for incurring excessive debt, thus rendering them unable to deliver all services to citizens. Although a sound and systematic practice of **internal auditing or mechanism of control** is in place, this does not have the expected outcome of ensuring sound long-term budgets due to a lack of sense of responsibility on the part of municipal councils.

12 ZELS is the Association of units of local self-government of the Republic of Macedonia: <http://zels.org.mk>

**With regard to achieving a balanced representation of women among decision-makers and councillors at local level**, which is a key **element of good governance**, Macedonian local governance is still not performing as expected. The representation of women in councils and party candidate lists has improved thanks to a system of quotas, but this has not translated into genuine gender-oriented mainstream of governance. In 2015, Parliament enacted a new electoral law requiring election lists to include a minimum of 40% female candidates. However, this is a challenge that needs to be addressed in a more comprehensive manner. Raising gender-awareness among political leaders and parties themselves is crucial in order to achieve genuine implementation of the quota system.

In a country that has mostly managed to overcome inter-ethnic tensions in a peaceful manner, unlike some other countries in this turbulent region, it is perhaps surprising that the opportunity for an innovative and functioning valorisation of minorities' representation in municipal councils is neither visible nor well-functioning. Although municipalities in which more than 20% of the population belong to non-majority communities are required to form inter-ethnic committees to promote dialogue between the various communities (and 12 have done so voluntarily), these committees often exist in name only, primarily due to lack of funding for their activities.

Apart from the President of the Municipal Council, other municipal councillors rarely see themselves as stakeholders responsible for maintaining democratic balance in local governance. **They often do not regard themselves as independent agents** who could interact with other municipal councils from different towns. There is a lack of *esprit de corps*.<sup>13</sup> The Committee of Councils of ZELS has addressed this issue with some successes. Training and capacity-building has tended to focus on strengthening administrative personnel, mayors and other executive staff.

This vicious circle of low visibility and reduced relevance of municipal councils make the role of councillors less interesting. The situation with municipal councils in Macedonia has led to unexploited potential for citizens' engagement.

Three major drives for change have been identified as being important and present in the Macedonian context. These efforts can be harnessed in support of the future empowerment of municipal councils:

1. The country's ongoing alignment with EU norms brings greater transparency in public spending, governance, civil society and encourages the engagement of citizens in the decision-making process.
2. There is evident public demand for citizens for better local government and more participatory forms of local governance, as seen for example in collective actions on environmental and other issues.
3. New and alternative means of local funding, with different options given to the (chronic) scarce funding, could motivate and enable councillors to take on a more significant role.

Some key challenges need to be turned into positive key elements:

1. Politicisation and the dominance of party-political affiliation to the exclusion of all else is not conducive to the development of an independent critical evaluation of municipal affairs, especially with regard to budgetary issues.
2. Municipal councils remain extremely marginalised in the general work of local governance and are not perceived as the centre of local democracy, as legislation states.
3. Funding remains very much centralised, leaving municipal councils with little influence over local spending and choices.
4. The level of skills and motivation among members of municipal councils is low, which has contributed to a permanent weakening of the positions, in a vicious circle.
5. Issues such as social inclusion, gender equality and inter-ethnic cooperation are barely recognized as being within the competency of municipal councillor. These issues are not discussed among others or are only rarely and sporadically addressed. Decision-making process at local level also tend to exclude the participation of specialised civil society organisations.

<sup>13</sup> *Esprit de corps*, French expression that could be translated "a sense of being a group"

## 4.2. The functioning of Municipal Councils and their structure

The first substantial part of this review compares indicators related to methods for electing municipal councillors. It will present findings on the mandate and the focus of municipal councillors, with a specific view on their relationship with the mayor and the executive. The way in which councillors are prepared for their decision and how they vote will also be taken into consideration, as well as the structure and organisation of commissions and committees. A special section will review the ways in which councillors are remunerated for their commitment, thus addressing the more general issue of motivation.

### 4.2.1. Electing Municipal Councils

This section on municipal elections includes relevant aspects of governance. Despite the wish and expectation to have *competent and capable councillors*, there are no mechanisms in the countries reviewed to assess or specify the level of education or other social requirements needed by candidates running for municipal elections.

#### **Macedonia:**

The right to be elected as a member of a municipal council extends to all citizens of the Republic of Macedonia aged 18 years or older with a permanent address in the municipality. In elections, the candidates can be presented on the lists of **political parties** or on **citizens' lists**. Citizens' lists consist of a group of citizens being presented by one "list holder". To present a citizens' list in the elections, the "list holder" needs to gather signatures for support. The number of signatures required depends on the number of inhabitants in the municipality. For instance, for a municipality with less than 10,000 inhabitants, a minimum of 100 signatures are needed of people with the right to vote in that particular municipality, while a minimum of 450 signatures are required in municipalities with more than 100,001 inhabitants.

The **number of members of a municipal council** ranges from 9 to 33, depending on the number of inhabitants in the municipality.

The members of municipal councils are elected in accordance with the principle of **proportional representation**.

#### **Countries in the review:**

As for **voting municipal councillors** in a **universal suffrage**, in all the countries examined, the minimum age is 18 years old (on both passive and active voting rights). In EU countries, a candidate must have permanent residence in the country and in the municipality to be able to vote at the local level, even **if they are citizens from another country**. In **Denmark**, a **special clause stipulates of a longer period of residence** (more than 3 years) as a condition of eligibility for those who are not nationals from an EU member-state or from Iceland or Norway.<sup>14</sup> The minimum age requirement for candidates is also **18, except in Lithuania where a candidate should be 20 years old by the day** of the elections.

The main principle for identifying municipal councillors is through **the multiple name lists drafted by parties**. The mandates of councillor are distributed between electoral lists in proportion to the number of votes won by each of the electoral lists. Serbia refers to parties or *coalition* of parties. There is no exception to this trend in the countries reviewed. However, some of the legislations authorised **civic lists or nominations by citizens' groups**, though with varying levels of effective implementation. In **Lithuania**, for instance, there are no civic lists at local level and such lists are not referred in the legislation. In **Slovenia** there is a requirement to have an **adequate number of people express confidence in the civic list** (at least 1% of the voters who voted in the preceding local elections, but no less than 15 voters or more than 1,000 must sign/support the candidacy). The concept of a **"group of citizens"** is applied in **Serbia**.<sup>15</sup> In **Denmark** there are no civic lists called as such, but it is not compulsory to be a member of a political party to run for election.

14 People who are not nationals of Denmark, another EU Member State, Iceland or Norway may only vote if they have resided in the Kingdom for a period of three years prior to the election.

15 Republic of Serbia, Law on Local Self-Government, Article 67.

In all the countries observed, the votes based on lists all follow **the system of proportional representation**: those who fall in the percentage of the votes acquired, starting from the top of the list, are elected.<sup>16</sup> The **principle of majority** is followed in very rare circumstances, such as in the case of the representation of minorities in Slovenia. In all the countries examined, the mandate lasts **four years, and the council can be re-elected as many times as possible**.

The number of councillors per municipality varies according to countries, but in all countries the number is proportional to **the number of inhabitants in the municipality**<sup>17</sup> (mainly referring to the Statute of the Municipality).<sup>18</sup> Serbia has the highest number of councillors per municipality, with 75 councillors for bigger towns. Slovenia has the lowest number, with 7 councillors for small municipalities.<sup>19</sup> The largest municipal council in Macedonia is in Kumanovo, with 33 councillors (Skopje is subdivided into smaller municipalities).

#### 4.2.2. The competences of Municipal Councils

The mandate and scope of competences of municipal councils vary in the countries reviewed. However, councils are considered the **key democratic bodies of local governance** in all of the countries, to which are entrusted “all the decisions on a final instance”. Even in contexts where the executive power (i.e. the Mayor) is elected by the citizens and not within the municipal council, legislation stipulates a crucial strategic and planning role for the council, while implementation is entrusted to the executive bodies (more details will be given on the relationship between mayors and the councils later on in the text).

##### Examples of wording expressing the role of councils

- **Phrasing used in Slovenia:** The municipal council is the **highest decision-making body on all matters concerning the rights and duties of the municipality**.
- **Phrasing used in Denmark:** The *kommunalbestyrelsen* (municipal council) is responsible for **general decision-making**.

##### Similarities:

The following competences of municipal councils are found in all the countries reviewed:

1. **The municipal council approves the accounts and the provisional budget of the municipality.**
2. **The municipal council approves strategies and development plans** that are likely to have an effect in the medium and long term, including potential future investments and financial commitments. For example, Denmark defines the council as being “in charge of the municipal budget, the **running of local institutions and the adoption of local policies**”, while Lithuania includes the council’s competence for the “**approval of special spatial planning documents of municipal or locality level**”.
3. **Municipal councils approve their own organisation with committees/commissions**, some being fixed and some proposed by the Council themselves.<sup>20</sup>
4. The **municipal council** also ‘**supervises**’ the **role of the mayor** and the **administration** in their application of the council’s decisions.
5. The **municipal council** decides on the **acquisition and disposal of municipal property**.

16 In Denmark, the voting principle adopted is the d’Hondt formula.

17 The Law on Local Self-Government: <http://www.parliament.am/library/Tim/slovenia.pdf>

18 In Denmark there are a total of 2,444 municipal councillors, and it is up to each municipality to decide how many seats they want in their council.

19 The Prefects determine the number of the council members for each municipality under their jurisdiction, based on the number of inhabitants according to the records of the registry offices as of January 1 of the year when local elections are held.

20 Competences often relate to schools (elementary and secondary) and childcare, local transportation, local environment, culture and sports.



### Specificities by country in the competences of municipal councils:

<b>Albania</b>	<b>A recent territorial and administrative reform has introduced a close link between mayors and city councillors on one side and regional councils on the other.</b> All mayors sit on regional councils and municipal councillors are also represented.
<b>Serbia</b>	<b>Regular attributions to the MC of approving budget and accounts and strategy for the municipality.</b>
<b>Slovenia</b>	<b>Municipal councils</b> appoint a representative in the State Administration Unit, as well as issuing opinions about the deputies of the state representatives units. A municipal council may establish, by decree, <b>local, village or neighbourhood committees to serve as advisory bodies.</b>
<b>Lithuania</b>	The texts refer to <b>simple</b> and <b>exclusive competences</b> (i.e. competences that cannot be delegated to any other body). Municipal councils decide upon <b>“the line of conduct to be held with citizens”</b> .
<b>Denmark</b>	<b>Local authorities are also responsible for providing assistance to unemployed people and for the integration of migrants,</b> with implications for internal municipal organisation and committees.

### Evaluation of the work of municipal councillors and commissions

<b>Albania</b>	Legal provisions do not refer to the monitoring and evaluation of municipal councils. With the introduction of a new law in 2015, the mayor has sole responsibility for the municipality. There are regulations stipulating the grounds for withdrawing the mandate from municipal councillors and for dissolving the municipal council.
<b>Serbia</b>	The existing legal framework does not regulate the monitoring and evaluation of assembly members.
<b>Slovenia</b>	There are no regulations for assessing the work of municipal councillors. The supervisory board has a role in the finances of the whole municipal council.
<b>Lithuania</b>	There is no evaluation system. According to the law, municipal councils must communicate with voters on a constant basis and report to voters at least once a year in accordance with the procedure set out in the rules of conduct.
<b>Denmark</b>	There are no regulations for assessing the work of municipal councillors.

#### 4.2.3. Committees and internal bodies of Municipal Councils

##### Similarities:

The **statutes** of the municipalities in each country examined, including Macedonia, grant councils the authority to set up **committees or commissions** and organise its internal work:

- Some committees and commissions are **compulsory (rarely)** and some are established by municipal councils themselves based **on specific requests and conditions.**
- All municipal committees and commissions are composed of **council members** (while in Slovenia and Denmark they can also include citizens – see more below).
- All municipal committees and commissions have an **advisory role** that is open to the vote of the council, even though they represent the working structure within the Council sessions.
- Committees are established at the **proposal of council members** following various criteria and vote at **majority of attendance** (with the exception of the different rules mentioned below).

**Evaluating the commitment of municipal councillors** is a complex issue, especially particular regarding their work in committees. In principle, their performance is based on *attendance* at meetings.

## Details on committees/commissions

<p><b>Albania</b></p>	<p><b>Nomination of commissions:</b> The municipal council elects committees composed of council members and approves their internal rules of operation. Commissions must be established in accordance with <b>the Law on Gender Equality</b>.</p> <p><b>Compulsory committees:</b> The law does not stipulate compulsory committees except for the Mandate Committee. Committees are established for particular functions or groups of functions. While there is always a finance committee, gender and inter-ethnic issues can be addressed within the scope of work of a Social Affairs committee.<sup>21</sup></p>
<p><b>Serbia</b></p>	<p><b>Nomination:</b> The Municipal Assembly takes decisions to establish <b>advisory bodies</b> for the actualisation of sector policies, composed of municipal assembly members from their respective local public institutions, called Councils (Savet) dedicated to certain topics.</p> <p><b>Compulsory committees:</b> Numerous mandatory committees are stipulated by law, including gender and ethnic communities. However, full implementation depends on finances.<sup>22</sup></p> <p><b>Other issues:</b> There are no means in place for assessing the performance of assembly members, except for the criterion of presence or absence at sessions of the municipal assembly and committees.</p> <p>The issue of evaluating members of municipal assemblies is generally regulated by a Code of Conduct adopted by municipal assemblies, defining the ethical standards of behaviour that local government officials undertake to comply with in performing their functions in the public interest.</p>
<p><b>Slovenia</b></p>	<p><b>Nomination:</b> The members of commissions and committees are appointed from among the members of municipal councils and other inhabitants of the municipality, but for no more than half of the members. The head of the working body of a municipal council is a member of the municipal council. Membership of a commission or committee of the council is not compatible with membership of the municipal supervisory committee or employment in the municipal administration.</p> <p><b>Compulsory committees:</b> No compulsory committees are stipulated except for the <b>Committee for Mandate, elections and appointments</b>.</p>
<p><b>Lithuania</b></p>	<p><b>Nomination:</b> Municipal council committees are set up to provide preliminary consideration of issues submitted to the municipal council and to present conclusions and proposals, to control the observation of laws and the implementation of decisions of the municipal council and the mayor.</p> <p>Concerning other committees, each municipality takes its own decision. According to the law, the number, composition and powers of committees are determined by the municipal council. When setting up other committees, the principle of proportional representation must be adhered to.<sup>23</sup></p> <p><b>Compulsory committees:</b> Each municipality is legally obliged to set up a control committee. For the duration of its term of office, the municipal council is legally obliged to establish an Ethics Commission and Anticorruption Commission.</p>

21 By Law 139/2015 'On the Organization and Functioning of Local Self-Government'.

22 According to Article 36 of the Law on Local Self-Government.

23 The Law on Local Self-Government, Article 14. Committees of the Municipal Council.

## Denmark

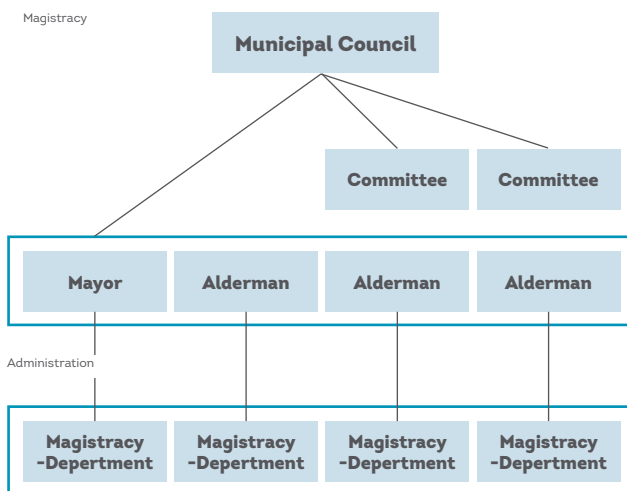
**Nomination: Executive committees** are in charge of local administration. Their members are appointed by municipal councils for a period of four years. Permanent committees assist the municipal council in the preparation of its decisions.

**Compulsory committees:** Municipal councils are legally obliged to set up a financial committee chaired by the mayor. This committee must have competence for employment issues unless another committee is established for this purpose. The committee structure varies greatly across municipalities. Each municipality has an administration that serves the municipal council and the committees. The council may also set up special committees, such as an education committee, employment committee and health and social affairs committee.

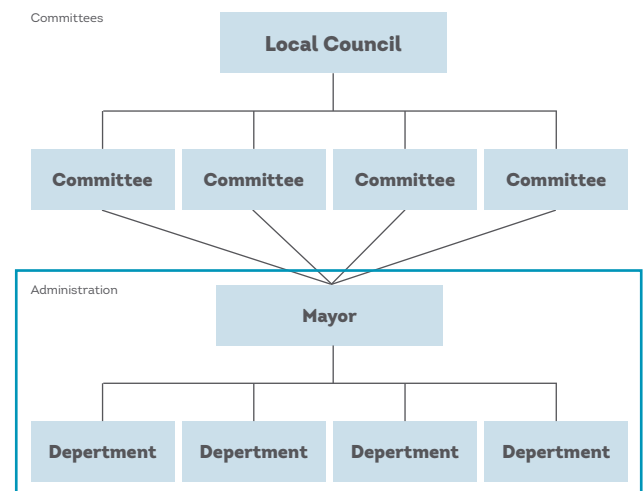
**Other issues:** Committees may include citizens that are not members of the local council.

**More on Denmark with the case of the Magistracy:** The largest municipalities in Denmark are permitted to establish a system whereby the administration is managed by a **corporate body (magistracy) and run the magistracy**, elected by the **local council and consisting of the mayor and aldermen, representing the political parties**. The magistracy performs the same functions as committees in other local authorities.<sup>24</sup>

### 1. In larger municipalities



### 2. In smaller municipalities



<sup>24</sup> The organization of county councils is quite similar to that of the local councils. The number of members of these councils can range from 7 to 31, although each region can decide on the number of its own members. The number must be uneven and is decided by the county councils, chaired by the mayor.

#### 4.2.4. Rules of procedure of the Municipal Councils, preparation and dissemination of material for councillors' decisions

##### **Macedonia:**

The documentation for municipal council sessions is prepared by the municipal administration. The sessions of the municipal councils and the work of commissions are prepared by the municipal administration. The countries reviewed all follow similar procedures in this respect. The materials proposed for voting on at municipal council meetings are prepared by the **administration and/or by specific committees**. The council votes by the routine procedure of a **majority of votes of those in attendance** and by emergency procedures in certain cases. Interviews conducted with associations of local authorities in Albania and Lithuania for this review revealed the importance of IT support and the presence of delivery with papers in some cases in order to provide material to councillors. Some external support is also required on technical issues.

An issue highlighted in this review is how to improve the quality of the documents prepared for councils, including the capacity of local civil servants to prepare quality documents, so as to ensure that all documents can be understood and acted upon by municipal councillors. (See more on training components).

<b>Albania</b>	In the case of <b>Albania</b> , the secretary of the municipal council is “responsible for attending to the preparation of materials for the council meetings, according to the Agenda of the meeting” while “the Mayor takes measures to prepare the materials for the municipal councils meetings according to the agenda set by the council and the topic added by them”. External support is provided only for technical issues that require specific expertise.
<b>Serbia</b>	Requests for meetings and materials for sessions are provided to local assembly members prior to each session. The material for the sessions may be delivered electronically (where conditions exist) to all councillors via their official e-mail addresses. The Secretariat for General Administration and Common Affairs supports the preparation of material for councillors (as part of its professional and administrative support). <sup>25</sup> This includes the delivery of materials to the seat of city assemblies. Committee meetings may be organised for further information and elaboration/debate of specific topics prior to convening assembly sessions.
<b>Slovenia</b>	Materials for municipal council sessions are prepared by the administration. Several companies offer help to municipalities in the preparation of some legal acts.
<b>Lithuania</b>	It is permitted to invite external experts and organizations in order to make use of their experience in preparing documents.
<b>Denmark</b>	Each municipality has an administration that serves the municipal council and commissions. The mayor’s department carries out the secretarial services of the council (i.e. they prepare the council meetings, agenda, settings, attachments, etc.).

<sup>25</sup> This support includes preparing and organizing sessions, conducting and drafting the minutes from the sessions of the City Assembly and its working bodies, as well as matters related to the publication of decisions and other acts in the “Official Gazette of the City”. The unit is responsible for translating and proofreading materials for the council and its working bodies and material multiplication activities.

#### 4.2.5. Remuneration of municipal councillors<sup>26</sup>

##### **Macedonia:**

The remuneration of councillors is not considered a crucial issue in respect of the motivation of councillors (respect to social recognition and sense of social responsibility). However, municipal councillors, even when not considered to be *working for the municipality*, still receive allowances that can amount to 150 to 250 Euros a month (except for Skopje where allowances can amount to 350 Euros). This remuneration is equivalent to a good-level income by Macedonian standards. The President of the Council can be a professional (if he/she does not have another job), but his/her own salary hardly compensates an average revenue. There are no additional fees or allowances for the involvement of municipal councillors in working commissions. Nevertheless, councillors can be sanctioned if they do not attend meetings: after three missed sessions in a row the councillor loses his/her position in the council.

COUNTRY	TYPE OF REMUNERATION
<b>Albania</b>	Councillors are paid <b>10% of the monthly salary of the mayor</b> . The salary of the mayor varies according to the size of the population. Participation in the committees is part of councillors' duties.
<b>Serbia</b>	Assembly members are entitled to <b>reimbursement for costs of transportation and an income for performing the function of councillor (councillor's fee)</b> . The monthly fee amounts to 30 percent of the average monthly salary per employee (around 50 Euros). Payment for participation in committees depends on the budget of the council, the statute and internal decisions.
<b>Slovenia</b>	Councillors are considered " <b>volunteers</b> " and work an average of 0 to 4 hours a day for the council. They are granted <b>allowances for participation</b> (roughly 200 Euros per month). Attending council commissions and committees is part of their duties. Members of supervisory committees perform their duties voluntarily.
<b>Lithuania</b>	Councillors, with the exception of mayors and deputy mayors, <sup>27</sup> are remunerated for <i>working hours</i> . <b>The council fixes the amount of remuneration</b> . This remuneration is calculated on the basis of official data for average salaries. In Lithuania wages are benchmarked using average gross salaries (last available data: June 2017 - 817.60 EUR/Month). An allowance may be granted each month, to a councillor for administrative costs.
<b>Denmark</b>	Municipal councillors work <b>15 hours a week for councils</b> and are paid accordingly. <sup>28</sup> The amount depends on the <b>number of inhabitants</b> in the municipality and the number of <b>committees attended</b> .

26 See: Financial compensation of local and regional elected representatives and public officials in the exercise of their office – Congress of Local and Regional Authorities, April 2017.

27 For mayors and deputy mayors the salary is fixed by the municipal council.

28 In most municipalities, the only elected representatives who exercise their functions on a full-time basis are mayors, who are paid accordingly with allowances. Councillors also receive free training.

### 4.3. Municipal Councils and their role in finances and budgeting

The roles of personnel involved in the financial control and management of municipalities are divided between technical/administrative staff, the executive, and bodies providing **political guidance, mainly the municipal council, which needs to be accountable to citizens**, who have the right to decide whether to confirm the mandate of the councillors in subsequent elections.

The management of resources by municipalities is complex and not entirely independent, being subject to **national legislation** and **transfers from the state for services they must deliver to citizens**. Adding to this complexity, the municipal budget is approved on an **annual basis** but has a historic background (often with accumulated debts) and **envisages investments and future costs**. In Albania, the concept of a six-month budget has been introduced in addition to an annual plan.<sup>29</sup> Public spending reviews are complex *per se* and require specific competences that are rarely possessed to a sufficient degree by the municipal councillors who vote on the budget. A major role in these financial aspects of municipal work is often played by administrative staff, technicians and executives, who prepare and present the figures to the council and committees.

#### 4.3.1. The role of Municipal Councils in the budgetary process

##### **Macedonia:**

Municipalities in Macedonia demonstrate an inclusive approach to the elaboration of the annual budget, with an initial consultation on project ideas and an assessment starting in neighbourhood units. The draft budget is then discussed in a finance committee and at administration level, with indications given by the mayor, who receives a budget circular (with details on transfers) from the Ministry of Finance in October. Another good practice in Macedonia is the use of community forums, a form of consultation with a broad range of stakeholders on budgetary issues. The municipal council must pass the budget by December 31. If the budget is not passed by that date, the Mayor can work with a provisional budget for three months. After the consultations, the final budget has to be approved by the council by March 30 of the following year. Failure to approval of the budget leads to the dissolution of the council.

<b>Albania</b>	Municipal budgets are drafted by committees and submitted to the council, which takes the final decision on the matter. The legislation stipulates that: "Each local self-government unit shall design, approve, implement and manage its annual budget <i>without deficit</i> ". The implementation of <b>strategic development plans</b> must be monitored through annual reports on budget execution. A dedicated procedure, including the Ministry of Finance, follows the development plans.
<b>Serbia</b>	Municipal budgets are drafted by committees and submitted to the council, which takes the final decision on the matter.
<b>Slovenia</b>	Municipal councils adopt budgets based on proposals submitted by mayors. The municipal budget is adopted for the fiscal year that begins and ends simultaneously with the fiscal year of the state budget. If a municipal budget is not adopted on time, the public expenditure of the municipality is temporarily financed according to the budget of the previous year.
<b>Lithuania</b>	The <b>executive bodies/committees of municipalities prepare</b> a draft municipal budget on the basis of laws and financial indicators of municipal budgets approved by the Seimas. Committees and executive bodies submit draft budgets to municipal councils. Municipal councils are in charge of the revision of the budget of the municipality, as well as the allocation of additional revenue and other cash resources unplanned for in the budget. An important role in local governance in Lithuania is played by <b>neighbourhood units and their coordinators</b> .

<sup>29</sup> Mayors report to municipal councils on the economic and financial situation of the municipality and its constituent administrative units at least every 6 months, or whenever requested by the council.

<p><b>Denmark</b></p>	<p>Danish municipalities enjoy <b>great freedom</b> with regard to their revenues and the financial management of their resources. The financial equalisation system in Denmark is based on the size of local authorities' structural surplus/deficit. In the case of the financially weakest municipalities, <b>equalisation guarantees a certain degree of uniformity</b> in the level and quality of services. The budget is adopted by the municipal council through negotiations between the association of municipalities and the central government, after which the approval is set out in an agreement in which the government also takes account of the consequences in the event of local authorities suffering a financial crisis.</p> <p>Denmark has a budget guarantee system for local authorities, whereby the grants awarded to municipalities reflect the cyclical variations in their costs. The budget guarantee covers the net expenditure of the worst-affected municipalities, thus guaranteeing that the local authorities concerned continue to discharge their responsibilities.</p>
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### 4.3.2. Municipal Councils' control on overspending

#### *Macedonia:*

Municipal councils in Macedonia are included in the task of controlling overspending. Municipal councillors evaluate the current income from the state budget and consider the accuracy of other revenue predictions. In spending reviews, municipal councils compare on-going expenses to the budget each quarter. A major weakness is the tendency of councils in Macedonia to draft overly optimistic budgets with hidden expenses emerging in the future. Typically this is the result of predicting unrealistic income in the future and not covering all expenses, which raises the risk of debt and generates cash flow crises. The Ministry of Finance does not intervene in the process of checking municipal budgets, since these budgets do not fall within its competence (transfers from the state), thus making local budgets highly volatile and left to the responsibility of local stakeholders.

The responsibility of municipal councillors for approving budgets, for controlling overspending, and for quarterly assessments is a crucial issue. The mayor is considered personally responsible for carrying out these duties. **The responsibility of municipal councillors in all the countries reviewed remains political and not personal (except if it is penalized).**

#### *Control of overspending*

<p><b>Albania</b></p>	<p>Municipal councils in Albania are tasked with approving the following elements of the budget: a) the main directions of general policy in relation to finances; b) strategic development priorities; c) local fiscal policies (in accordance with applicable legislation); d) The medium-term budget and the annual budget; and h) local government borrowing.<sup>30</sup> The mayor prepares a <b>monthly report on the performance of revenues and expenditures out-turns against the period's plan</b>. This report includes out-turns of the same line items in previous years, and an assessment of expected out-turns at the end of the budget period. The report is submitted for information to the municipal council by no later than the 10<sup>th</sup> day of the coming month.</p> <p>The procedures for reviewing, approving and implementing budget amendments follow the same rules as those for the annual budget.</p>
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30 No. 68/2017 Article 6: The competences of councils of local self-government units.

<p><b>Serbia</b></p>	<p>Overspending is registered as local debt on an annual basis. Local government organs, such as the finance committee and municipal assembly monitor overspending. The state recognises the debt and may provide support for the upcoming year.</p> <p>A number of municipalities in Serbia first plan their expenditures, and then, as they are required by law to have balanced budgets, <i>print</i> the income figure, which will <i>not</i> be realized. After a year, expenditures are realized, and the anticipated revenues are not collected, and then they owe to those from whom they acquired goods or services.</p>
<p><b>Slovenia</b></p>	<p>Municipal <b>supervisory committees</b> are the highest organs of supervision of municipal public expenditure. <b>These committees control the budget and prevent overspending.</b> In the framework of their competences, supervisory committees supervise the disposal of municipal property, oversee the purposefulness and the sense of the use of budgetary funds, and supervise the financial operations of users of budgetary funds. These committees notify the competent Ministry and the Court of Auditors of any violations.</p> <p>Matters subject to supervision include the legality and correctness of the business operations of competent bodies and the efficiency and effectiveness of the use of municipal budgetary funds.</p> <p>Municipal councils, mayors and organs of users of municipal budgetary funds are obliged to discuss the reports of supervisory committees and to take into account their recommendations and proposals in accordance with their competences. <b>Individual special professional supervisory duties may be performed by an executor appointed by the municipal council at the proposal of the supervisory committee.</b></p>
<p><b>Lithuania</b></p>	<p><b>Municipal controllers</b> (municipal controllers and audit services) <b>are in charge of controlling spending</b>, which involves conducting the financial and performance audit in the municipal administration, entities administered by the municipality and undertakings controlled by the municipality. Municipal controllers are responsible for preparing and submitting an opinion each year to the council on the set of consolidated statements of the municipality.</p> <p>For the implementation of the functions of the municipal control and audit, municipal councils, on the advice of the municipal controller, can establish<sup>31</sup> a municipal control and audit service.<sup>32</sup></p> <p><b>Municipal councils cannot approve unbalanced budgets. The drawing-up of the municipal budget is strictly regulated by law.</b> The procedure of preparation, consideration and approval of municipal budgets is established in the Law on the Structure of the Budget and the rules are approved by a resolution of the government. When necessary, the National Audit Office may, by a decision of the Auditor General, carry out a financial (legality) and performance audit of municipalities, as well as municipal establishments and undertakings controlled by municipalities.</p>
<p><b>Denmark</b></p>	<p>The supervision of municipal and regional finances is carried out by five devolved state regional departments under the direction of the Minister of the Economy and Interior. These departments verify the legality, though not the expediency, of local and regional actions. An Ombudsman supervises all government departments, and therefore has a cross-cutting role to play.<sup>33</sup></p>

31 In case the number of residents of a municipality is less than 30 thousand.

32 If a municipal control and audit service is not established, controllers of other municipalities may be called to conduct an external audit provided for in the plan.

33 The financial resources allocated to local authorities for the discharge of their responsibilities are governed by law LBK No. 797 of 27 June 2011 on local and regional finances (Bekendtgørelse af lov om regionernes finansiering).



## What happens in case of overspending?

### Macedonia:

Any debts and overspending incurred in municipal budgets should be approved by municipal councils and require approval by the Ministry of Finance or the Ministry of Economy. The Macedonian Ministry of Finance does not authorise more than 3% of debts for municipalities (which concerns the actual loans from banks). However, this percentage does not include unpaid-for services and purchases, which can be much higher than 3%. For some municipalities, bank accounts can be blocked or partially blocked till the full reintegration of resources. In this case, municipal councils can approve budgets that take into account the fact that the income as a whole (more than that used for paying the regular administration) will be used for reintegrating resources used in the past and for re-opening accounts. The state does not cover the debts of municipalities.

<b>Albania</b>	<p>A municipality is considered to be in <b>financial problems</b> when in a given month of the budget year there are delays of more than 30 days in the settlement of financial obligations towards third parties and when accrued but unpaid obligations constitute 15% of approved annual expenditures.<sup>34</sup> Mayors inform the council and propose correctional measures to overcome such financial problems.</p> <p>A municipality is considered in <b>financial</b> distress when delays in the settlement of financial obligations towards third parties continue to occur and when the stock of accrued and unpaid liabilities has increased progressively so as to constitute more than 25% of approved annual expenditures.</p> <p>The mayor can propose a <b>recovery plan</b>, which is submitted to the council and then submitted to the Ministry of Finance. It can decide to use its own source revenues (within two months of the council's notification), and/or to use the contingency and reserve fund to reduce liabilities to third parties, and/or to amend the budget by revising expenditure items, and/or to increase the level of taxation within the limits allowed by law, and/or to negotiate with creditors to restructure late payments. The financial distress recovery plan approved by the municipal council must be published. Another procedure can be established in case of <b>serious distress</b>.</p>
<b>Serbia</b>	<p>Revision of the budget is possible and is performed according to the same procedure as for the adoption of the budget. The municipality can change the budget an unlimited number of times during the budget year. Frequent budget changes indicate either unrealistic budget planning or the occurrence of extraordinary and unforeseen circumstances that require a budget change. When the central government helps a local authority by taking over its obligations, the council has the right to repay this debt at a default rate of interest. On this behalf, the state can suspend transfers from the budget to municipalities.</p> <p>The municipal assembly must adopt the budget by December. If a budget is not passed, temporary financing is introduced and the central government can dissolve the local assembly.</p> <p>Throughout the year, during the budget execution, it is possible to reconcile revenues and expenditures through rebalancing, in the same way as new laws or other reasons require it. The budget is passed by the municipal assembly.</p> <p>In case of overspending, <b>public debt</b> is accumulated and can be supported by further state transfers, potentially leading to a dangerous cycle. Despite the high level of local public debt, no cases of bankruptcy have been reported so far, thus increasing the national public debt.</p>

<sup>34</sup> According to the Law on Local Self-Government Finance, No. 68/2017.

<b>Slovenia</b>	If the financial statement is justified, a revised budget is prepared. In cases where it be impossible to balance the implementation of the budget due to an uneven inflow of receipts, the municipality may borrow liquidity funds, not exceeding 5% of all expenditure according to the last budget duly adopted. <sup>35</sup> The state can <b>dissolve municipalities for overspending</b> .
<b>Lithuania</b>	If an approved budget is overspent, the municipal council may decide to reallocate the budget, decrease expenditures and/or take out a loan.
<b>Denmark</b>	The cases dealt with by the supervisory authority are usually the subject of a consultative declaration in which the authority provides a legal opinion on the case in question. The supervisory authority informs the local council of its responsibilities under current legislation. It can also impose <b>sanctions</b> for decisions taken by a local council or against specific councillors having colluded in an illegal municipal act. <b>The sanctions available are annulment, suspension, fines and actions for damages.</b>

### 4.3.3. The role of Municipal Councils in determining municipal taxes

Municipal councils are responsible for fixing the level of taxes within the limits of national legislation. Depending on the level of decentralisation and financial capacities to raise local taxes, this aspect of governance is of special significance. (In more autonomous and wealthy municipalities, as in Denmark, this council vote council can involve fundamental political debate). In Macedonia the municipal council approves the range of local taxes and should be able to justify a possible increase by providing better services. The need to provide evidence of connections between municipal taxes and service delivery is one of the key elements that make local governments accountable to citizens.

<b>Albania</b>	<b>Municipalities exercise their right to decide on tax rates</b> , the method of their calculation and the system of tax collection and management, in accordance with the applicable laws. <sup>36</sup> The council of the local self-government unit has the right to impose temporary taxes for the provision of specific services and public investments for a limited period of time. The establishment of a temporary tax must be preceded by the development of a plan that, as a minimum, clearly indicates some criteria. The plan is subject to hearings and further approval of the municipal council.
<b>Serbia</b>	According to the law on financing local government, municipalities are entitled to the original (residual) income realized on their territory. <sup>37</sup> The rates of source income as well as the method and criteria for determining the amount of local taxes and fees are determined by the municipal assembly in accordance with the law.
<b>Slovenia</b>	Municipal councils determine the amount of taxes by decree. <sup>38</sup>
<b>Lithuania</b>	The municipal council makes decisions on tax provisions.
<b>Denmark</b>	Municipal councils set their own budgets within a national framework and each municipality collects its own taxes.

35 Article 10a: Incurring debts for municipal budget implementation; Point 5: Financing of Municipalities Act.

36 The base of local taxes and their maximum and/or minimum rates shall be established by a special law. Local self-government units shall have the right to apply or not to apply a local tax. When such units apply local taxes, they shall exercise the right to decide on their rates and the method of collecting and managing them, according to the criteria and within the limits set by the applicable law. Otherwise, municipalities shall create revenues from the local fees for: the public services they provide; the right to use local public property; the issuance of licenses, permits, authorizations and other documents, over which they have full authority, unless otherwise provided by law; and shall charge any other temporary fee, in accordance with the conditions specified by law.

37 By law, the tax on wages that is paid according to the employee's residence. The municipal budget is entitled to a maximum of 80% of the collected taxes of this type. When it comes to property tax, the assembly of the local self-government unit determines the amount of the taxation rate, up to the maximum rate prescribed by the law governing property taxes.

38 For financing local matters of public interest, the following revenues shall belong to the municipality: tax on assets; inheritance and gift assets; tax on profit from gambling; tax on trading in intangible property; other taxes stipulated by law. The proportion for the allocation of revenue from the preceding paragraph shall be determined by a special act of the National Assembly.

#### 4.3.4. Procurement plans, local authorities' debts and properties

The Procurement plans are following a process, which includes the work of administration, a relevant role of the Mayor and the final approval of the MC. Provisions for debt differ by countries in terms of the means employed, the stakeholders involved and the limitations imposed by law. A certain limit of debts is authorised (after validation by national institutions and by municipal councils) but could lead to a suspension of the activities of the municipality and dissolution. The municipal council approves the acquisition and disposal of property.

##### **Macedonia:**

**Procurement plans** are an integral part of the budget approval process since they identify some of the resources allocated for public services and other expenses. The procurement system is regulated by national laws (procedures, a register of companies permitted to provide services for public institutions, visibility and transparency, etc.). The municipal council is therefore acquainted with the resources allocated and with the possible projects that need support (for which a procurement/public tender will be required) while approving the budget.

**Municipal properties are acquired and disposed of** with the approval of the municipal council.

**The local authorities, with the approval of the MC approves the debts** (see point on overspending above).

<p><b>Albania</b></p>	<p><b>Procurement plans:</b> Public procurement plans are adopted by the mayor and prepared by the municipal administration. The municipal council adopts the plan within the general decision on the budget. Public procurement plans should be published on municipality websites. However, the Law on Public Procurements in Albania does not specify procedures for public procurement plans.<sup>39</sup></p> <p><b>Properties:</b> The sale or lease of municipal properties and assets is subject to a transparent and competitive procedure. Assets and properties offered for sale or lease must be published together with the criteria that need to be fulfilled. The decision on selling and purchasing property is initially made by the municipal council.</p> <p><b>Debts:</b> Municipalities may incur <b>short-term debt</b> pursuant to the decision of the local council on the budget of the actual fiscal year. A local government may incur short-term debt only following a negative response from the Ministry of Finance to a request to finance the temporary budget deficit through an interest-free or soft loan from the state budget.<sup>40</sup> Within the short-term debt limitations defined in this law, the municipal council defines the actual limit within which the mayor is authorized to issue a short-term debt on a case-by-case basis.</p> <p>In the next council meeting, the mayor informs the local council of the issuance of the short-term debt, together with its terms and conditions, including the agreement with the lender, the criteria and process of selection of the lender, as well as evidence of compliance with the debt limitations set out in the Law on Local Borrowing.<sup>41</sup></p> <p>A municipality may incur <b>long-term debt</b> pursuant to a resolution duly adopted by the council of the local government and approved by a majority.</p> <p>Notice must be given prior to a meeting in which the council considers the resolution for approval, and this notice is published in a newspaper of general circulation. The notice includes all the information regarding the loan requested.</p> <p>The municipal council decides on loan agreements.</p>
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39 Article 54-Duties and powers of the municipal council- Law on local self-government.

40 Article 6- Law on Local Borrowing (Albania).

41 Article 7- Law on Local Borrowing (Albania).

<p><b>Serbia</b></p>	<p><b>Procurement plans:</b> The municipal assembly determines the rules on public procurement. The document regulates the participants, the responsibilities and the manner of conducting public procurement in accordance with the law regulating public procurement, as well as the control of public procurement and the manner of monitoring the execution of public procurement contracts. Decisions on public procurement plans are adopted and published in the <i>official gazette</i> of the municipality. The majority of municipalities have <b>public procurement units</b> responsible for performing public procurement procedures in accordance with the law, and for which funds are provided in the budget or in the financial plan. Investments in investment projects are usually reported in budgets for a period of three years.</p> <p><b>Properties:</b> Municipal assemblies adopt decisions on the internal administrative structures established by the Statute. The Secretariat for Property and Legal Affairs follows the procedures.<sup>42</sup></p> <p><b>Debts:</b> Municipalities in Serbia cannot declare bankruptcy, since municipalities and cities do not face the problem of servicing the debt, but with a delay in paying current obligations, or arrears. However, there are legal mechanisms in place which, when applied strictly, prevent such “jumps” from the system.</p>
<p><b>Slovenia</b></p>	<p><b>Procurement plans:</b> Procurement plans are adopted by mayors and prepared by the municipal administration.</p> <p><b>Properties:</b> The procedure for buying and selling property in accordance with the law is governed by the municipal administration. The municipal council only adopts a decision on the sale or purchase.</p> <p>The municipal council<sup>43</sup> adopts an act by which the property of the municipality is determined on the basis of a balance of assets and inventory.<sup>44</sup> The release of individual parts of municipal assets is only permitted against the payment of their full value, which then becomes a part of the municipality’s assets unless part of the assets is donated for humanitarian, educational, scientific or research purposes or for other purposes of this kind. The decision to release individual parts of assets is adopted by the municipal council. Supervisory committees oversee the disposal of municipal property.</p> <p><b>Debts:</b> Municipal councils deliberate a debt for covering present and future expenses with short-term loans. Municipalities may incur long-term debts for investments approved by the municipal council.<sup>45</sup> Municipalities are allowed to incur debts up to an amount not exceeding 10% of realized income in the year prior to the year in which the debts are to be incurred. The repayment of the principal amount and the interest should not exceed 5% of the guaranteed expenditure in a single year.<sup>46</sup></p> <p>Contracts on incurring debts are concluded by the mayor on the basis of the adopted budget after preliminary agreement has been given by the Minister of Finance.<sup>47</sup></p>

42 The basic features of the situation regarding municipal property in Serbia, as well as in other countries in transition, can be formulated as follows. Cities have a large number of properties (which is typical in transition countries). Serbia is late in relation to most post-socialist countries in the field of municipal definitions of property. The rights of cities / municipalities with regard to property (i.e. the right to use and dispose of property) are determined by the 2011 Law on Public Property. The municipal portfolio of assets is changed due to restitution. The public space owned by cities / municipalities comprises a large (often the largest) percentage of business the leased space. Municipalities grant indirect subsidies to tenants through prices that are lower than on the market, and they do not evaluate or monitor the amount of such subsidies. There are no medium-term or long-term plans for land development. The management of many portfolios is entrusted to companies and entities alike enterprises.

43 Financing of Municipalities Act (enacted in November 2006) has been in force since 1st January 2007. It replaced the previous Financing of Municipalities Act (enacted in March 2006 as a consolidated version act). Since its introduction in 2007, the current law has been amended several times.

44 Local government borrowing rights are regulated by the Public Finance Act (1999) and the Financing of Municipalities Act.

45 Contracts on incurring debts shall be concluded by the mayor on the basis of the adopted budget after the preliminary agreement of the Minister of Finance, which shall decide on requests for the issuing of approval within ten days of the submission of requests.

46 Municipalities may incur debts for the financing of housing construction, water supply, and the elimination and purification of sewage in an amount exceeding 10% of the realized income in the year prior to the year in which the debts are to be incurred, if the repayment of the principal amount and interest in an individual repayment year does not exceed 3% of the realized income.

47 The Public Finance Act in Slovenia stipulates that a municipality can borrow money based on a prior consent given by the minister responsible for finance under the terms and conditions laid down by ZFO- (Fiscal decentralisation in Slovenia, B. Brezovnik, 2014).

<p><b>Lithuania</b></p>	<p><b>Procurement plans:</b> The municipal controller prepares and submits the conclusions necessary to take decisions to the municipal council. These conclusions provide the basis for the council to approve the terms and procedures of <b>public procurement</b>, as well as the principal conditions of a contract of partnership with private entities. After the municipal council has defined the terms and procedure of public procurement, as well as the principal conditions of the contract of partnership with private entities, it prepares conclusions regarding the final draft of the contract of partnership with private entities.</p> <p>The <b>municipal controller</b> is in charge of preparing and submitting to the municipal council an opinion on the set of consolidated statements of the municipality that has been presented for approval, as well as the findings necessary to take decisions regarding the use by the municipality of bank credits, procurement, debts and consequent loans.</p> <p><b>Properties:</b> Municipal councils take decisions concerning the buying and selling of local public properties.</p> <p>According to the law, municipal councils take decisions on the management, use and disposal of by the right of trust of the state land and other state property assigned to a municipality.</p> <p>Municipal councils take decisions on the disposal of the property belonging to a municipality by the right of ownership, as well as the establishment of rules for the procedure of managing, using and disposing of such property.</p> <p><b>Debts:</b> Loans may not exceed the norms set by law. Debts are allowed only in accordance with a decision of the municipal council and only in cases where there is a lack of funds for financing investment projects of a local authority (long-term loans) or for covering temporary shortages of money if current assets are insufficient (short-term debts).<sup>48</sup></p>
<p><b>Denmark</b></p>	<p><b>Procurement plans:</b> No specific reference is made to procurement plans in the legislation on local government; procurement is regulated by national laws.</p> <p><b>Properties:</b> Issues related to property are addressed by municipal councils in accordance with internal regulations.</p> <p><b>Debts:</b> Legal restrictions relating to investment, borrowings, tax and staff have been introduced under agreements concluded freely between the central government and the LGDK and Danske Regioner (Danish Regions). Other revenue is derived from returns on capital and investments, mainly from the sale of property and net financial interest.</p> <p>Municipalities require prior authorisation from the Ministry of the Economy and the Ministry of the Interior to contract loans for covering debts. Following a reform in the Danish local government system, municipal councils have the competences to decide upon long-term investments within their municipalities. In order to achieve this, they have been continuously working to create good conditions in their cities. Municipalities have the power and funding to commission city projects, receiving 50% of the national budget. Over half of the municipalities in Denmark have carried out <b>smart city projects</b>.<sup>49</sup></p>

48 The borrowing limits for local authorities that pursue investment projects financed from EU resources were increased from 3% to 6%. This privilege was not granted to the municipalities of Kaunas and Vilnius because their financial conditions are better in comparison with the others. The general borrowing limits set by law for local authorities are as follows: for municipalities of large cities (Vilnius and Kaunas) 50%, and for the rest 35% of their own budgetary resources approved by a local authority for the current year.

49 A **smart city** is an urban development vision to integrate information and communication technology and 'the Internet of things' technology in a secure fashion to manage a city's assets.

### 4.3.5. Internal and external control

Controls can be internal and external. The processes are regulated by national laws, municipal statutes and internal provisions, and can be carried out externally by regular **audits** conducted by external companies.

**Macedonia** has a level of internal control with regular administrative checks as well as an identified internal auditor. The Ministry of Finance performs regular audits of municipalities on a rolling basis. Each municipality can expect a visit by a controller every three or four years. Private external audit is neither a practice nor an obligation.

#### 4.3.5.1. Internal control

In all of the countries reviewed, local authorities have established bodies for internal auditing and for the monitoring of finances and budgets. The municipal council selects or appoints the members of committees or internal auditing bodies from among its members.

<b>Albania</b>	Municipal councils appoint a <b>finance committee</b> charged with monitoring expenses. An internal audit unit is established in the municipality. This unit performs its activities in accordance with the law regulating internal audits.
<b>Serbia</b>	In <b>Serbian municipal assemblies</b> the body dealing with financial matters is the <b>Council (Savet) for Budget and Finance</b> (a mandatory body according to municipal statutes). The <b>main objectives of the Savet consist of reviewing and issuing opinions concerning budgetary and financial issues, the annual budget and final accounts and</b> financial plans and reports on the work of public-sized enterprises and institutions, guaranteeing that all proposals of decisions and acts that have budgetary implications are considered and reviewed.
<b>Slovenia</b>	<p><b>In Slovenia</b>, the municipal council appoints or dismisses members of a <b>supervisory committee</b>.<sup>50</sup> This committee is the independent controlling body for the finances of the municipality and is a specificity of Slovenian local government. The municipal council <b>appoints the members of the supervisory committee</b>. The supervisory council is an <b>independent and autonomous body of the municipality, which should not be under the influence of the mayor or the municipal council</b>.</p> <p>The bodies of a municipality are the municipal council, the mayor and the supervisory board. The supervisory committee is the highest organ of supervision of public expenditure in the municipality.<sup>51</sup> Members of the supervisory committee perform their duties <i>voluntarily</i>. Members of the municipal council, the mayor, the deputy mayor, members of the councils of narrower sections of the municipality, the secretary of the municipality, municipal civil servants, and members of the management of organisations who are users of budgetary funds <b>may not be members of the supervisory committee</b>.</p>

50 As well as other members of commission and committees of the Municipal Council. The members of the Supervisory committee should be appointed no more than 45 days following the elections.

51 Its duties are: to perform the supervision of the disposal of municipal property; to oversee the purposefulness and sense of the use of budgetary funds; to supervise the financial operations of the users of budgetary funds.

<p><b>Lithuania</b></p>	<p>The municipal council appoints <b>the chair and deputy chair of a control committee</b> and approves the work programme of the control committee. The control committee comprises an equal number of representatives <b>delegated by all the factions of municipal councillors and a group of municipal councillors</b>, in cases where it consists of at least three municipal councillors. The principle of proportional representation of the majority and minority should be applied. The municipal council appoints the chair of the control committee at the proposal of the minority (opposition) of the municipal council, and the deputy chair of the control committee at the proposal of the mayor. The main body in charge of submitting financial reports to municipal councils is the <b>“municipal controller” and the audit service</b>.<sup>52</sup> The municipal controller is appointed through a <b>competition</b> and is dismissed in the manner prescribed by the Law.<sup>53</sup> It carries out the financial and performance audit in the municipal administration, in entities administrated by the municipality and in undertakings controlled by the municipality.</p> <p>Each municipality has its own <b>“municipal centralised internal audit service”</b>.<sup>54</sup> For the implementation of the functions of the municipal control and audit, the municipal council can establish (and in case the number of residents of a municipality is less than 30 thousand, it may establish) a municipal control and audit service on the advice of the municipal controller. The municipal controller directs this service and is responsible for its activities. If a municipal control and audit service is not established, controllers of other municipalities (civil servants of the control and audit service) may be brought in to conduct an external audit provided in the plan.<sup>55</sup></p>
<p><b>Denmark</b></p>	<p>Denmark has a highly strengthened decentralised system in which self-organisation of municipalities is the rule. The budget or finance commission prepares and controls the work on local government budget matters with rules also identified at national level. A strict external audit system is also in place.</p>

52 Republic of Lithuania: Law On Local Self-Government, 7 July 1994, No I-533, Vilnius (Last amended on 28 June 2016 – No XII-2494), Chapter VI, Art. 27.

53 The municipal controller must have higher education qualification and at least three years’ work experience in the spheres of finance, economics, law, audit, control or public administration.

54 Republic of Lithuania: Law On Local Self-Government, 7 July 1994, No I-533, Vilnius (Last amended on 28 June 2016 – No XII-2494), Chapter VI, Art. 28.

55 The Centralised Municipal Internal Audit Service shall be set up by the municipal council when approving the structure of the municipal administration.

#### 4.3.5.2. External control

External audits can provide valuable support for sound and effective public spending. External audits are quite expensive, however, and are not regulated as such in **Macedonia**.

<b>Albania</b>	Following a special decision of a municipal council or a regional council, the executive bodies of a local self-government unit may be subject to auditing conducted by companies specialized in the field of auditing. <sup>56</sup> Each local self-government unit is subject to an external audit by the Supreme State Control in the manner prescribed by law. All external or internal audit reports on the operation of local self-government unit must be available to the public. The mayor prepares an action plan for the implementation of the recommendations of all external audit reports and submits regular reports to the council on the progress of implementation. <sup>57</sup>
<b>Serbia</b>	No external audits are required.
<b>Slovenia</b>	External control is carried out by an independent auditor and the municipal supervisory board (a separate municipal authority composed of citizens), which report to the municipal council.
<b>Lithuania</b>	At the request of the National Audit Office of Lithuania, reports conducted by the municipal controller are submitted for external supervision.
<b>Denmark</b>	All municipalities are obliged to submit their accounts to an external audit bureau.

56 Article 54 LGS; ART 13 LSG; Article 40 LGS; ART 43 LGS.

57 These procedures are followed by all levels of local governments in Albania. The provisions refer to the Chair of the Local Government Unit, i.e. the mayor in the case of municipalities.



#### 4.4. The role of Municipal Councils in good governance and democracy at local level

Good local governance implies the sound and balanced participation of all stakeholders, fair elections, transparency, responsible and participatory municipal councils, and inclusive and efficient mayors and executive bodies. The administration plays also a fundamental role in delivering services and in implementing political decisions at local level. Participation at all levels and in every decision-making process allows public authorities to address the needs of their citizens, generating a sense of belonging and responsibility among citizens that cannot be provided if citizens are passive and excluded.

**Efforts to empower citizens and ensure participatory local governance** are a powerful trend in all the countries studied. Although this inclusive approach to local governance has not yet been fully implemented, it is emerging either from citizens' initiatives or through provisions offered by local authorities. Dialogue and **partnerships between civil society and local authorities offer new ways of engaging citizens and unlocking resources and potentialities. This is especially relevant in cases of the specific needs of vulnerable groups of citizens. The role of specialized civil society groups is crucial for ensuring access to legal rights to all citizens at local level.** Nonetheless, it remains quite limited when it comes to municipal councillors' involvement since it addresses more the executive bodies and the administration.<sup>58</sup>

There is a growing trend and need for more **transparent governance**.<sup>59</sup> The use of the Internet, websites and social networks to improve transparency is now quite widespread, though it has not always proven effective. Good examples, however, include allowing municipal council meetings to be attended by citizens.<sup>60</sup> Some meetings are even streamed online.

Citizen participation at local level is also a key aspect of the SIGMA principles, with a particular focus on women's participation as a fundamental dimension of the policy of inclusiveness:

##### **SIGMA – OECD, Principles of Public Administration (2017 Edition):**

- Principle 1:** The government has developed and enacted an effective public reform agenda which addressed key challenges.
- Principle 4:** Public administration reform has robust and functioning management co-ordination structures at both the political and administrative levels to steer the reform design and implementation process.
- Principle 6:** Government decisions are prepared in a transparent manner and based on the administration's professional judgement; legal conformity of the decisions is ensured.
- Principle 11:** Policies and legislation are designed in an inclusive manner that enables the active participation of society and allows for co-ordination of different perspectives within the government.<sup>61</sup>

58 For instance, the development of **volunteering actions** in supporting public service delivery and public good is often present (campaigns against pollution and for cleaning areas), but these activities rarely engage municipal councillors.

59 In Slovenia the Public Information Act is the key law aimed at ensuring the open and transparent functioning of public authorities.

60 Exceptions to this exist. In Albania, for example, meetings of the municipal council may be closed to the public at the request of the mayor or a-fifth of council members.

61 [http://www.sigmaweb.org/publications/Principles-of-Public-Administration\\_Edition-2017\\_ENG.pdf](http://www.sigmaweb.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf). More details are provided in the principle 11 and they regard the National Government. Nevertheless, they also include the "government" at the local level.

#### 4.4.1. Structural relationship between the Municipal Council, the Mayor and the Municipal Administration

This indicator is relevant to understand the relationship between the key stakeholders of the local governance. *De facto*, also due to the mayor's more professional role, the Macedonian case highlights a strong presence of the Mayor and executive bodies, which probably overwhelms often the dimension of the MC and its decision-making at the local level.

##### Macedonia:

Mayors are directly elected by the citizens. Mayor hold executive power and have a professional function. Since there are separate elections for municipal councillors and for mayors, there are cases in which the mayor is not from the same political party as the councillors.

The President of the Municipal Council is elected from among the members of the council by a majority of votes. The president convenes and leads the sessions of the municipal council and is responsible for the organisation and work of the council. Sessions of the council are held at least once every three months. Sessions can be convened by the president of the municipal council, or at the request of the mayor or one quarter of the members of the municipal council.

The policy workshop and meetings conducted as part of this review revealed that **the Macedonian context does not sufficiently valorise the role of municipal councillors, who rely too much on the role and responsibility of the mayor.**

	How the mayor/executive bodies are elected	Who chairs the Municipal Council/Assembly	Comments on Relations between the Mayor/Executive and Municipal Council
<b>Albania</b>	The mayor is elected directly by citizens.	Councils are chaired by the Chair of the Municipal Council.	Nothing particular to note.
<b>Serbia</b>	City mayors and presidents of municipalities are elected by the municipal or city assemblies. Members of the municipal and city councils are elected by the municipal or city assemblies and are proposed by city mayors or presidents of municipalities. <sup>62</sup>	Municipal assemblies are chaired by presidents of assemblies. The chairperson ( <i>Predsednik Skupštine opštine</i> ) is a separate position with a different function in local government.	The executive bodies of the Municipality are the President of the Municipality/Mayor and the Municipal Assembly. (Municipal councils are called municipal assemblies in Serbia.) <sup>63</sup>  The President of the Assembly of the Municipality proposes candidates for President of the Municipality. <sup>64</sup>
<b>Slovenia</b>	Mayors are elected directly by citizens at the same elections as for municipal councils. <sup>65</sup>	Municipal council sessions are convened and chaired by the mayor. The mayor does NOT have the right to vote.	Municipal councils supervise the activities of mayors, deputy mayor and the municipal administration regarding the implementation of the decisions of the municipal council. <sup>66</sup>

62 See more information on elections and territorial division at the Law on Local Self-Government of the Republic of Serbia and the Law on the Territorial Organization of the Republic of Serbia.

63 Members of the MC (Executive body accompanying the Mayor in the Serbian case) can not be at the same time elected members of the municipal Assembly. Members of the MC may be full time employees of the local government. Organisation of the work of the City Council shall be determined by the City Assembly in accordance with the Statute of the City.

64 The candidate for President of the Municipality proposes the candidate for Deputy President of the Municipality from among the ranks of councillors elected by the Assembly of the Municipality in the same manner as the President of the Municipality. The President of the Municipality/Mayor chairs the council and his/her most important function is "to directly implement and ensure the implementation of decisions and other by-laws of the Municipal Assembly".

65 In double round elections, held if the first round does not result in a candidate gaining more than 50% of the votes.

66 The mayor can withhold the publication of a municipal general act if he/she believes that this act is unconstitutional or illegal, in which case the mayor proposes that the council adopt a new decision on this act at the next session. At this session, the mayor must state their reasons for withholding the act.

<b>Lithuania</b>	<p>Mayors are directly elected by citizens in a single-member constituency<sup>67</sup> (since 2014 with modified legislation). The mayor also becomes a councillor.</p> <p>The council decides on the formation of a municipal council board at the recommendation of the mayor.</p>	Municipal councils are chaired by mayors.	Nothing particular to note.
<b>Denmark</b>	The municipal council elects one of its members as mayor.	The municipal council is chaired by the mayor. It is the responsibility of the mayor to prepare, convene and chair the meetings of the council.	The mayor heads the council and the administration and is assisted by one or two deputies who are also elected by and from among the council members. <sup>68</sup> The mayor is the executive and day-to-day manager of the administration, and must ensure that all decisions of the council are implemented.

#### 4.4.2. The role of Municipal Councils in different forms of citizens' participation (local referendums, citizens' initiatives, public hearings and other forms)

Innovative ways to engage citizens have been put in place. However, **laws and regulations are often applied less stringently so as to leave room for more spontaneous opportunities to interact, such as public meetings or regular information sessions and public hearings.**<sup>69</sup> Citizens' participation is not far from being a legal exercise but it is rather a political and social endeavour to engage constantly with citizens with all the possibilities. **Local referendums** are referred to in a number of the countries reviewed, but with little implementation and too often with a solely **consultative role.**<sup>70</sup>

##### **Macedonia:**

Three forms of citizens' participation are mentioned in Macedonian legislation:

1. **Citizens' initiatives:** Municipal councils need to discuss and respond to such initiatives.
2. **Public gatherings:** These may be organized at the initiative of municipal councils or by 10% of the inhabitants of the municipality. Following a public gathering, the council discusses its outcomes and conclusions. The collection and communication of the results of public gatherings is not compulsory.
3. **Local Referendums:** These can be initiated at the request of at least 20% of the voters of the municipality or by its own initiative of the council (on issues within its authority). Public consultations are compulsory **only in the case of urban planning.**

67 Before 2014, mayors were elected within the municipal council, but the law was amended in 2014 by the Seimas, and now the Mayor is directly elected by citizens in a single-member constituency, at the same time as the election of municipal councillors.

68 In connection with the structure of the executive bodies, Copenhagen (like Aarhus, Aalborg and Odense) applies a different system than other Danish municipalities. In particular, it implements shared management of the political and administrative decisions for the different sectors of municipal intervention.

69 <https://rm.coe.int/168071a7c6>, Citizens' participation at local level, Council of Europe document, 2011.

70 The results of the referendum are not binding.

In participatory democracy, practices are often more important than legislation and rules. In Macedonia, **community forums** are a significant form of citizens' participation.

Legislation also provides forms of interaction with the citizens: **neighbourhood and urban community** (in Macedonian: *mesna i urbana zaednica*). There is the potential for greater development of such communities.

<b>Albania</b>	<p><b>Local referendums are mentioned in the law but are rarely implemented.</b><sup>71</sup> They are mandatory in the case of changes to the borders of municipalities. However, the results of referendums are not binding.<sup>72</sup></p> <p><b>Consultation sessions with the community</b> are also provided by law.</p> <p>Before considering and approving acts, municipal and/or regional councils hold consultation sessions with the community. Consultations with the public are held in any event as specified in the statutes of municipal councils (including open meetings with residents and stakeholders, meetings with experts, interested institutions and non-profit organizations, or by taking the initiative to organize a local referendum).</p> <p>Any citizen or group that represents the community has the right to submit <b>requests, complaints or objections to local self-government bodies on issues related to the functions and powers under the jurisdiction of the local self-government unit</b>. Bodies of local self-government units are obliged to consider and respond to such requests, complaints or objections.</p> <p>Cities can establish and run <b>community councils</b> at the initiative of their citizens. These can be composed of a quarter of the residents and organized on a voluntary basis. Municipal councils set the rules for the organization and operation of quarter community councils. A <b>community liaison</b> officer is elected from amongst its members in order to organize and manage the work. Their role is to implement projects for the benefit of the community.<sup>73</sup></p> <p><b>Citizens' initiatives:</b> When proposals presented to the municipal councils as citizens' initiatives have a financial impact on the budget of the local self-government unit, they are considered by the council according to the agenda and are not approved without hearing and considering the opinion of the head of the local self-government unit.</p> <p>Albania recently undertook major reforms of local government and territorial composition. It has now proposed a more systemic approach to transparency and good local governance. Units of local self-government are obliged to appoint a <b>transparency coordinator</b> and adopt a <b>transparency programme</b> ensuring access for all, especially for the poorest communities. Public consultation in local self-government units is promoted and supported. Local self-government bodies are <i>obliged</i> to guarantee public participation in the decision-making process. Each local self-government unit is obliged to appoint a <b>coordinator for public announcements and consultations</b> in accordance with the provisions of the applicable law for public announcements and consultations.<sup>74</sup></p>
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71 The borders of municipalities may not be changed without first hearing the opinion of their inhabitants. This requirement is mandatory, however, it has no binding effect. Self-government in local units is exercised through their representative organs and local referendums.

72 <http://www.oldsite.idea.int/elections/dd/country.cfm?id=7>

73 Based on the decisions of the municipal councils, they will have the right to exercise certain powers and functions. They can be delegated funds by the municipal councils, which cannot be used as fees or bonuses for the members of the community council. Notwithstanding, the members of the community council can be financially rewarded for their work, following the criteria set by the municipal councils and according to the law.

74 Albania was the first country in the region to adopt its legal framework to assure citizens the right of information and access in unclassified official documents through the law Nr.8503, dated 30.06.1999. Participation of citizen and civil society in decision making. [http://partnersalbania.org/wp-content/uploads/2015/12/study\\_citizen\\_participation.pdf](http://partnersalbania.org/wp-content/uploads/2015/12/study_citizen_participation.pdf)

	<p>The Law on Local Self-Government in <b>Albania</b> provides the basis for <b>consultation sessions</b> with the community. Any act approved by a municipal council is published on its official website and displayed in public places.<sup>75</sup></p> <p>With the support of international donors, practices of <b>participatory budgeting</b> take place in Albania with some success,<sup>76</sup> but they engage mostly citizens and executives.</p>
<b>Serbia</b>	<p>The forms of direct citizen participation in local government in Serbia are <b>civic initiatives, citizens' meetings and referendums</b>.</p> <p><b>Citizens' Initiatives:</b> Through civic initiatives, citizens may submit proposals to municipal assemblies to pass legislation that will regulate a particular issue within the competence of the city; to amend the statute or other acts; and to call a referendum in accordance with the law and the Statute. Citizens' initiatives are valid if the list of signatories comprises at least 10% of the voters enrolled in the electoral register on the day of the act on the citizens' initiative.</p> <p>Once such proposals have been submitted, assemblies are required to hold a hearing and to submit a reasoned reply to citizens within 60 days of receiving the proposal. (This is a legislative solution that is extremely difficult to apply in practice. According to local NGOs, an initiative has been launched to change this provision). Some cases of <b>Participatory Budget</b> have been tested (see further).</p>
<b>Slovenia</b>	<p><b>Local Referendums:</b> Municipal councils may call a <b>referendum</b> at the proposal of the mayor or a member of the council. Municipal councils must call a referendum if requested by a minimum of 5% of the municipal electoral body. A consultative referendum may be called for the entire municipality or for parts of it. The results of consultative referendums are not binding on municipal bodies.<sup>77</sup></p> <p>In 2005, <b>Slovenia</b> introduced the concept of <b>pro-active transparency of public data</b>. This is an essential element for public oversight of the legality of the activities of public sector authorities and their use of public funds. Municipal commissions and committees must endeavour to <b>provide the public with as much information about their work as possible</b> as part of their duties and in accordance with the municipal authorities.<sup>78</sup></p> <p><b>Other means of participation:</b> A minimum of five percent of the voters in a municipality may request that general acts and other decisions made with the jurisdiction of municipal councils or other municipal bodies be issued or repealed.</p>

75 New Web Portal for Partner LGUs to Encourage Civic Participation [http://partnersalbania.org/wp-content/uploads/2015/12/study\\_citizen\\_participation.pdf](http://partnersalbania.org/wp-content/uploads/2015/12/study_citizen_participation.pdf)

76 [http://siteresources.worldbank.org/INTALBANIA/Resources/PBP\\_Toolkit\\_Dec\\_06\\_Eng.pdf](http://siteresources.worldbank.org/INTALBANIA/Resources/PBP_Toolkit_Dec_06_Eng.pdf)

77 The municipal council calls a referendum within fifteen days of receiving a decision or request by voters to call a referendum. Slovenia is among the leading countries in its use of national referendums, but has a poor outcome when it comes to local referendums. See more at "Direct Democracy in Slovenia: poor practice at Local Level", by Bernard Nezmah.

78 The 2005 amendments to the Act (ZDIJZ-A) were highly important in terms of ensuring greater transparency of public funds. The reform determined that information about the use of public funds should always be publicly available.

<p><b>Lithuania</b></p>	<p>Local authorities can organize <b>polls</b> on decisions made by local governments and on other issues. However, these polls are non-binding and only advisory in nature. There is no specific provision for local referendums.</p> <p>Residents of a municipality can directly participate in the preparation and debating of draft decisions, organise surveys, assemblies, meetings, public discussions of petitions, as well as promote other forms of civic initiatives.</p> <p>Another good practice in Lithuania is the cooperation of civil society groups and research centres with municipal councils in submitting recommendations to higher decision-making bodies. There are many forms of communication between municipalities and NGOs,<sup>79</sup> including <b>'open door' hours, meetings, e-government, conferences, involvement in municipal budget-planning, personal conversations, etc.</b> In rural areas there are <b>Local Actions Groups (LAGs)</b>.<sup>80</sup></p> <p>The various forms of citizens' engagement may be supported and deliberated by municipal councillors. However, in order to be really effective, there should be regular cooperation between the administration, the elected leadership and the citizens.</p>
<p><b>Denmark</b></p>	<p><b>Local Referendums:</b> The Danish Constitution allows the holding of local referendums. At local level, municipal councils have free rein to organise local referendums on any matter falling within their remit. However, such referendums have only a consultative function.</p> <p><b>Other innovations:</b> Citizens' participation, which has long been conducted in a variety of forms in Denmark, was expanded in the 2007 reforms, despite the reduction in the number of municipalities and counties. <b>"Citizen summits" and "citizen councils"</b> on themes such as health or spatial planning are among the examples of good practices. <b>Citizens' summits</b> have been applied on several occasions, and are mostly used for issues of <b>spatial planning and long-term visions for the community</b>. New technologies are employed to share strategic planning and community processes.<sup>81</sup></p> <p>Denmark has also established <b>Senior Citizens' Councils</b> in some municipalities. Senior citizens' council are a socially innovative initiative that supports senior citizens' participation in and influence on decisions and actions in their communities.</p>

**Case Participatory budget in Serbia:** Participatory budgeting and Citizens- friendly budgets are included in Serbia's Public Administration Reform Strategy and action plans for 2018–2020, with specific reference to principles of accountability and transparency in the public sector. **The Municipality of Ruma** is one of the local self-government units in Serbia in which participatory budgeting has been systematically and continuously applied. In addition to participatory budgeting, the Municipality of Ruma has also introduced the practice of publishing Citizen Budget Guides on the official website of the municipality.

79 On Relationships between Municipal and Non-Governmental Organisations in Lithuania". Case studies of Vilnius city municipality and Ukmerge municipality: [https://www.mruni.eu/upload/iblock/237/A.%20Guogis\\_A.%20Stasiukynas.pdf](https://www.mruni.eu/upload/iblock/237/A.%20Guogis_A.%20Stasiukynas.pdf)

80 See more at <http://mts.asu.lt/mtsrbid/article/view/689>. These groups aim to activate the rural population and organizations of rural communities, encourage innovations, strengthen the competitiveness of rural areas and reduce the gap between towns and the countryside.

81 <http://base-adaptation.eu/participatory-methods-applied-adaptation-planning-kalundborg-denmark>

### 4.4.3. Municipal Councils and inter-ethnic inclusion

#### **Macedonia:**

After the signature of the Ohrid Framework Agreement (OFA), the process of decentralisation was oriented to give equal rights to citizens from all ethnic communities in local affairs. The Law on Local Government introduced in 2002 stipulates the establishment of committees for inter-community relations in all municipalities in which more than 20% of the population from an ethnic community do not constitute the majority. Such committees can be established in other communities on a voluntary basis. The members of these commissions can be members of municipal councils, but not necessarily so. The number of members in such commissions is determined by the municipality. These commissions address questions of interest to the communities in the municipality and formulate recommendations for the municipal council. The council is obliged to discuss these recommendations. The creation of these commissions is not only stipulated to respect the equal rights of all ethnic communities in Macedonia, but also favours the active participation of citizens in local public life.

Regulations regarding the involvement of ethnic minorities are articulated in more detail in the countries of the Balkans. However, funding for the activities of inter-ethnic commissions and their projects are not identified nor secured.

#### **Similarities**

In all the countries reviewed there is an attention to have **representatives of ethnic communities** in local elections for municipal councils. Better solutions for peaceful cohabitation between minorities and majorities are more likely to be found at the local level of governance. It also represents a sensitive momentum that needs to find the appropriate balance between the protection of diversities and identities and the aim of creating a cohesive society. In Macedonia, ethnic communities are represented through political parties.

#### **Specificities**

<b>Albania</b>	Several political parties with notable ethnic minorities put forward candidates for municipal elections, though there are no specific provisions. <sup>82</sup> Minority groups have been able <b>to campaign freely in their own language in recent elections</b> . While voters gained access to ballot materials in minority languages in 2013, ballots for the 2015 local polls were only in Albanian. However, election officials provided voter education materials in minority languages. While members of the Roma minority and other marginalized groups are vulnerable to political exploitation and vote-buying schemes such as the distribution of fuel vouchers and cash, OSCE observers noted in 2015 that minority communities were becoming increasingly aware of their voting power and more politically engaged.
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<sup>82</sup> The HRUP, standing on a platform representing all national minorities, but primarily affiliated with the Greek minority, and the Greek Ethnic Minority for the Future (GEMF) both stood independently. The Macedonian Alliance for European Integration (MAEI) and Party for Europeanisation and Integration (comprising Roma and Egyptians) both ran as part of the AEA. Of note, a GEMF candidate was elected mayor in Finiq and the ethnic Macedonian mayoral candidate for the municipality of Pustec was re-elected. Roma and Egyptian candidates were present in AEA and PAWD lists, however, they were usually not placed in winnable positions.

<b>Serbia</b>	<p>In areas with a strong presence of minorities (primarily in Vojvodina), parties representing the minority community are included in the <b>distribution of seats even if they have received less than 5% of the total number of votes</b> (5% being the threshold of the list for being accepted in the proportional redistribution of seats).</p> <p>The success of such parties at local level has been rather uneven and depend on the financial capacity of the local authority.<sup>83</sup> The institutional framework for such matters includes an <b>office for Roma inclusion</b> and a <b>local Ombudsman</b>, while some towns and the autonomous province of Vojvodina also have a <b>local council for minority rights and an office for refugees and displaced persons</b>.<sup>84</sup> NGOs take a proactive stance towards the local government, and cooperation between <b>representatives of civil society and local authorities</b> can be considered fruitful, particularly in the economically challenged municipalities in the south of Serbia.<sup>85</sup></p>
<b>Slovenia</b>	<p>There are special provisions in Slovenia for the election of members of the Italian, Hungarian and Roma communities.<sup>86</sup> In particular, they are always elected according to the <b>principle of majority</b> in municipal councils with fewer than 12 members. In each ethnically mixed area with a large number of Italians or Hungarians (as determined by law), those communities have at least one representative in the municipal council. If the municipal bodies decide on issues related to the implementation of the special rights of ethnic communities, they must first seek the prior opinion of the self-governing ethnic community, called the <b>Council of the Ethnic Community</b>. In ethnically mixed municipalities, <b>a commission on ethnic issues is established. Members of an ethnic community constitute one half of the commission's members</b>. In areas inhabited by Roma community, the Roma group should have at least one representative in the municipal council.<sup>87</sup></p>
<b>Lithuania</b>	<p>A <b>party representing the Polish community</b><sup>88</sup> achieved good results in recent elections, but no legal provisions on municipal elections can be reported as such.</p>
<b>Denmark</b>	<p>A German minority is present in a part of the country. Nothing is particularly envisaged for emphasising their role in the municipal councils.</p>

83 <http://sociojalnoukljucivanje.gov.rs/en/mapping-of-social-protection-services-under-the-competence-of-local-self-governments-in-the-republic-of-serbia-survey-published/>

84 See more about the national minority councils in "The national councils of national minorities in Serbia", by Katinka Beretka and István Gergő Székely, January 2016.

85 Principles of Open Government Partnership Programme - <https://www.opengovpartnership.org/about/about-ogp> - enshrined in PAR strategy-making - Serbia 2018-2020 - Good governance programme: <http://dobraprava.rs>.

86 Articles 6, 7, 8, LLE.

87 In municipalities where ethnic Slovenians are in the minority, the provisions of this law relating to the representation of Italian and Hungarian ethnic communities in municipal bodies shall apply accordingly.

88 Electoral Action of Poles in Lithuania - Lietuvos lenku rinkimu akcija (LLRA).



#### 4.4.4. Legal provisions and policies oriented towards gender equality at local level

As requested in observing the Macedonian context, particular attention has been given in this review to the **gender perspective** and its representation in municipal councils. In **Macedonia**, men and women should each comprise at least 40% of the candidate lists for municipal elections. The legal system does not include such a quota for lists of candidates in mayoral elections. Only four of the 81 mayors elected at the last local elections were women.

<p><b>Albania</b></p>	<p>The electoral code stipulates that the lists of political parties should have an equal <b>representation of 50% of</b> men and women candidates, but this has not yet been fully achieved. Since the recent territorial reforms, whereby municipal councils elect their representatives to regional councils, 50% of the appointed representatives should be women.<sup>89</sup> There is a particular detail in quoting the gender balance and equality in all their different aspects in Albania's recent legislation on local governance. In the local elections of 2015, 49.36 percent (17,937 out of 36,341) of candidates were women, resulting in a significant proportion of women on local councils. The percentage of women in local councils has increased almost threefold since previous year.</p> <p>Importantly, training has been provided for women candidates in national legislation, the work of local government, and personal skills.</p> <p><b>Effective activities have been put in place for supporting the engagement of women candidates with training and awareness-raising about national institutions, local institutions and personal skills related to the role of a councillor.</b></p>
<p><b>Serbia</b></p>	<p>Every <b>third candidate on candidate lists must be a member of the less represented gender</b> (principle of at least 30% of women elected). Serbia has also introduced a Committee on Gender Equality among the different <i>Savets</i> (Committees).<sup>90</sup></p>
<p><b>Slovenia</b></p>	<p><b>Slovenia</b> introduced a <b>gender mainstreaming policy with a non-discrimination act after its accession to the EU</b>. At the local elections held in 2006 it was obligatory to propose a minimum of 20% of candidates of each gender. In <b>2010 this figure was raised to 30%, and in 2014 to 40%, while candidates on the first half of the lists must be allocated alternatively by gender.</b><sup>91</sup></p>
<p><b>Lithuania</b></p>	<p>Lithuania has no specific provision for gender representation in local authorities besides the general national law on balanced representation of gender.<sup>92</sup> The capital city of Vilnius was the first local authority to appoint a person responsible for gender equality issues in 2001.</p>

89 This gender balance also applies in Albania for representatives of villages.

90 At the national level is established Women Parliamentary Network (<http://www.womeninparliaments.org/wp-content/uploads/2014/07/Serbia-WPN-Washington.pdf>)

91 There was a transitional period, with 20% quota in 2006 local elections and 30% quota in 2010 elections, while the 40% quota was fully implemented in the recent 2014 local elections.

92 The gender balance is secured thanks to the Law on Equal Opportunities for Women and Men and to the Inter-Ministerial Commission on Equal Opportunities for Women and Men, composed of a broad representation of institutions and CSOs.

	<p>Women make up 52.8% of the population, but their involvement in political life and public administration is very low. The year 2000 municipal election showed a decrease in women's participation in public administration: women members of local governmental councils decreased from 22% in 1997 to 17.6% in 2000. Although attitudes towards the participation of women in politics are increasingly positive and the number of those who think otherwise is shrinking significantly, the majority of the population do not believe that more women in power and decision-making will have either a positive or negative influence on society. At party-political level, only one party focuses on actively stimulating the engagement of women,<sup>93</sup> in <b>particular in liaising with women representatives from parties from other countries</b>. However, it is important to stress that most political parties in Lithuania are not aware to secure gender balance. There is a <b>national programme aimed at stimulating</b> the engagement of women, but funding for this programme is uncertain and it is difficult to predict how it will progress.</p>
<p><b>Denmark</b></p>	<p>Danish law contains no specific provision for gender representation in local authorities other than the general national law on the balanced representation of gender. <b>Women are under-represented in decision-making processes at local level</b>. At the municipal elections held in 2013, 29.7% of the elected politicians were female, (down from 32% in 2009). The 2013 municipal elections resulted in women making up 13% of the country's mayors, down from 17% at the 2009 elections.<sup>94</sup> All public authorities and municipalities are required to draw up a report on gender equality every second year to be submitted to the Minister for Gender Equality.<sup>95</sup></p>

93 Networking within the party and with women social democrats from other countries; 2) Informational and educational activities for the union members; 3) Political statements and public initiatives on the issues related to women's rights and gender equality; 4) Monitoring of implementation of the principles of gender equality within the party. However, it is important to stress that most political parties in Lithuania are not aware to secure gender balance in political decision-making bodies.

94 There is a Ministry for Gender Equality and Denmark has adopted an Act on Gender Equality stipulating that every decision-making body is obliged to work for and integrate gender equality issues.

95 See recent Deloitte, 'Ligestillingsredegørelser for kommuner, regioner og stat 2007', 2008. See also data from the Women's Council in Denmark: <http://www.womenlobby.org/Women-s-Council-in-Denmark?lang=en>

## 4.5. Other relevant indicators

### 4.5.1. Human resource management and the selection of the Head of Administration

#### 4.5.1.1. Staff and career plans for civil servants

The relationship between municipal councils and local civil servants is usually limited, since the civil servants report to and work mostly with the executive bodies of local governance and, in particular, with the mayor and his/her own officer. Municipal councillors receive materials and information on council decisions from the staff of the municipality. In some of the countries observed, the council decides on the composition of the staff of the administration in detail, and in some cases even decides on staff remuneration.

#### **Macedonia:**

The Macedonian case is particularly interesting because it assigns a significant role for municipal councillors in the approval of the **systematisation plan** (organisation of local civil servants). The salary of civil servants is fixed by national law, however, and cannot be modified locally. In Macedonia, the head of the administration is the Secretary of the Municipality.

<b>Albania</b>	The municipal council approves the maximum number of municipal employees and other institutions controlled by the municipality. The council approves the <b>salary and bonus payment rates for employees and other persons</b> , elected and appointed. <sup>96</sup> The mayor approves the structure of the organisation, the categories/classes of salaries for each civil servant position, and the basic statutes of the municipal administration, municipal budgetary units, and institutions controlled by the municipality.
<b>Serbia</b>	Municipal assemblies are also in charge of “making decisions on the organization of the municipal administration” and “supervise the work of the municipal administration”.
<b>Slovenia</b>	The MC passes <i>standing orders and acts on the organisation of the activities of the municipal administration</i> . The mayor issues an act on the <b>systematisation of jobs</b> in the municipal administration. Internal organisation and fields of work are determined by the municipal council at the proposal of the mayor by a general act. <sup>97</sup> The appointment and employment of staff in the municipal administration is decided upon by the mayor or by the secretary of the municipality.
<b>Lithuania</b>	<b>Municipal councils approve the structure</b> , regulations and salary funds <b>of the municipal administration</b> , and establish the maximum possible number of positions of civil servants and employees. The council approves the director of the municipal administration at the recommendation of the mayor. The council decides on the number of positions of civil servants of political (personal) confidence of the mayor and about the establishment <b>of the secretariat of the municipal council</b> . Municipal councils also decide the <b>salary of the mayor</b> and <b>the number of deputy mayors</b> .
<b>Denmark</b>	Local authorities (in accordance with their internal regulations attributing competences to different bodies, including municipal councils) are able to determine their own internal administrative structures in order to adapt them to local needs and ensure effective management: “ <i>The conditions of service of local government employees shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence; to this end adequate training opportunities, remuneration and career prospects can be provided.</i> ” The municipalities and regions have free rein to define their administrative structures, <b>the status of their staff and the arrangements for their training and remuneration</b> . The Law on Local Self-Government contains <b>no rules</b> on municipal administrative structures or staff training; nor is there any rule limiting the possibility of local councils delegating their responsibilities to municipal staff.

96 With the approval of the 2015 Law.

97 In accordance with the procedure stipulated by the Law on Civil Service and the Labour Code.

#### 4.5.1.2. Selection of the Head of Administration

##### **Macedonia:**

The Head of Administration is appointed by the mayor and is an important ally and support in the management of the municipality. However, although it is compulsory to have a secretary of the municipality as head of the administration, only 50 of 81 municipalities in Macedonia have a secretary. Executive and management power thus remain in the hands of mayors.

<b>Albania</b>	Municipal councils appoint the <b>Municipal Secretary</b> .
<b>Serbia</b>	Municipal councils appoint and dismiss the <b>Chief and Deputy Chief of Municipal Administration</b> with a public announcement.
<b>Slovenia</b>	The mayor is the head of the municipal administration, while the <b>operation</b> of the municipal administration is led directly by the <b>secretary of the municipality, who is appointed and dismissed by the mayor</b> . Nonetheless, the council can also decide on the <b>dismissal</b> of the secretary or the mayor.
<b>Lithuania</b>	The <b>director of the municipal administration</b> is appointed at the mayor's recommendation, at the municipal council's decision on the basis of political (personal) confidence.
<b>Denmark</b>	<b>Each municipality decides how to deal with internal management</b> , including how to deal with the Head of Administration. Unless decided otherwise, the mayor is the head of the administration.

#### 4.5.2. Inter-municipal cooperation and the role of municipal councillors

##### 4.5.2.1. Inter-municipal cooperation at national level

##### **Macedonia:**

Inter-municipal cooperation is carried out on a voluntary basis and requires the approval of municipal councils. **Such cooperation can be proposed by the mayor or by a member of the municipal council while the initiative for establishing inter-municipal cooperation may be raised by at least 10% of the voters of the municipality.** Inter-municipal cooperation aims at making service delivery to citizens more efficient and rational (for example, when a municipality is too small to purchase a service by itself). However, some forms of inter-municipal cooperation – even if not compulsory – are *de facto* (such as the use of six waste lands on a regional basis that needs to be used for all the municipalities of Macedonia). Another example is when the services of two municipalities need to be shared because human and financial resources cannot support a double service (for example a common kindergarten between Gradsko and Veles).

Inter-municipal cooperation exists in rules and practices in all the countries reviewed. Such cooperation can take the form of an agreement between municipalities or can be organised with a public/private company delivering services. **Municipal councils must agree on the creation and organisation of inter-municipal cooperation and must approve the resources allocated for such cooperation.**

Albania	<p><b>Cooperation between two or more local self-government units is permitted:</b><sup>98</sup> <i>“To perform their functions and provide specific services <b>for the common good, two or more local self-government</b> units within a region or from different regions may perform together any function and/or service assigned by law by entering into, or implementing, joint agreements or contracts, delegating specific powers and responsibilities to one another, or contracting with a third party.”</i><sup>99</sup> Cross-local cooperation agreements are approved by the respective councils of each local self-government unit that is party to the agreement. The financial obligation for each of the local self-government units that are party to the agreement is approved every year as a separate item in the local budget. There are central guidelines for municipalities to cooperate, for example on water supply.</p>
Serbia	<p>Contractual inter-municipal cooperation takes the form of long-term contracts between two or more units of local self-government, in which one city has the role of a service provider and other local government units have the role of users.</p> <p>Municipal Councils can decide on the creation of <b>joint institutions with other local self-government units</b>, including Joint Powers Authority and third parties. Municipalities may act as the founders of <b>Regional Development Agencies</b>, in which case they assume obligations in the governing bodies that are established. Specific examples of inter-municipal cooperation can be found in the case of the establishment of regional landfills operating as public companies – jointly managed by several municipalities.</p> <p>Inter-municipal cooperation can be identified when two or more units of local self-government (or their public enterprises) establish a <b>joint venture</b>, which may take the form of a joint utility company or a joint company (limited liability company or joint-stock company). <b>Inter-municipal cooperation is financed from the local budget</b> or from donors’ support programmes (such as the EU-supported EXCHANGE programme in Serbia).</p>
Slovenia	<p>Local communities <b>voluntarily</b> co-operate with each other for the purpose of joining forces to regulate and conduct local matters of public importance. For this purpose, they may merge their funds and, in accordance with the law, set up joint bodies and joint municipal administration bodies, establish and manage funds, public institutes, public companies and institutions, and link them together to form communities, unions and associations.<sup>100</sup></p> <p>Such associations can receive up to 50% of their costs from the state.</p>

98 Article 14 of the Law on Local Self-Government.

99 More on international cooperation: Any agreement of cross-local cooperation shall be approved by the councils of both the cities involved. Local self-government units may conclude cross-local cooperation agreements also with self-government units of foreign states. Before the conclusion of such agreements, the local self-government units shall take the opinion of the Ministry of Foreign Affairs. In that framework, the agreement defines its purpose and duration and all the legal and financial aspects, as well as the functions to be exercised by each municipality or jointly. Two or more local self-government units within a region or from different regions may conclude agreements among themselves or with central government institutions for the creation of a juridical person separated from the parties to whom they grant authority and specific powers.

100 With regard to merging, the law determines the method of promoting association and co-operation between municipalities and the establishment of municipalities by means of a merger of two or more municipalities with fewer than 5,000 inhabitants, or the merger of such municipalities with larger municipalities.

Municipalities independently take decisions on joining wider self-governing local communities and regions. Regions regulate and perform local matters of wider interest that exceed the capacities of municipalities. The state may, by law, vest the performance of individual functions that fall within its jurisdiction in a region, subject to the prior consent or agreement of the region and to the provision of means for such purpose.

<b>Lithuania</b>	The municipal council takes decisions regarding the incorporation, reorganization or liquidation of public and private legal entities, and decides <b>on the establishment of joint undertakings together with other municipalities, taking decisions on joining municipality unions, co-operation with municipalities of foreign states or joining international self-government organisations.</b> Inter-municipal cooperation in <b>Lithuania</b> is not mandatory and can be established on a voluntary basis, though this is not frequent in current practice. The main form of cooperation among municipalities is that of <b>regional development councils.</b>
<b>Denmark</b>	Inter-municipal cooperation is both mandatory and voluntary. <sup>101</sup> By law, inter-municipal cooperation is <b>compulsory</b> for firefighting and for the prevention of accidents. Local authorities can also enter into cooperative <b>partnerships with private companies</b> (e.g. for natural gas, public transport). Such cooperation is managed by a specific body.

#### 4.5.2.2. Inter-municipal cooperation at international level

Inter-municipal cooperation with international stakeholders is also described as “**decentralised cooperation**”.

##### **Macedonia:**

Macedonian local authorities have the right to engage in international cooperation with other municipalities in other countries. Municipal councils are responsible for deciding upon formal commitments and for engaging resources.

<b>Albania</b>	The Law on Local Self-Government clearly identifies the <b>rights and duties of cooperation between municipalities.</b> <i>“The municipalities have the right to cooperate with the local self-government units of the other countries and be represented in the international organizations in conformity with the present Law and the legislation in force. They have the right to get organized into associations in conformity with the applicable legislation.”</i>
<b>Serbia</b>	<b>Serbian</b> municipalities have benefited greatly from international inter-municipal cooperation at local level, stimulated through diverse support programmes (e.g. USAID and the EU Progress Programme in Southeast Serbia).
<b>Slovenia</b>	Local authorities are authorized to engage in decentralised cooperation depending on financial means available.
<b>Lithuania/ Denmark</b>	International inter-municipal cooperation is mainly operated among Baltic states and with Eastern European countries, drawing on past friendship and cooperation. Municipal councils should approve the formal steps but cooperation is often led by the executive (i.e. by the Mayor and his/her own team).

<sup>101</sup> Municipalities willing to avoid a merger have to sign legally binding mutual co-operation agreements under the statute specially adopted for the purpose. This statute applies to five island municipalities and to only two municipalities located in mainland Denmark.

### 4.5.3. Capacity-building instruments and motivation schemes for municipal councillors

Issues related to the provision of training, including which bodies should provide such training (e.g. state institutions, associations, separate programmes and certified institutes) and how the training is financially supported, are not always clearly identified in legislation and other relevant materials.

**National training for municipal councillors** does not seem to be a legal obligation in most of the countries reviewed, though it is practised to a certain extent. The provision of such training would seem to be essential for the development of many skills (awareness, competences, understanding and responsibility). More focus is always given to supporting civil servants (accredited schools and programmes), executive positions and elected leaders (mayors). International support has been more oriented to providing capacity-building for the administration and the executive than for municipal councillors. Political parties often substitute municipal councillors in this training, but it remains far short of what is needed. Training programmes for municipal councillors should have their own path, roles and specificities (for a more global view on local authorities), but they are also often proposed as transposition of the training for civil servants at local level, which is not appropriate.

#### **Macedonia:**

Some training for municipal councillors has recently been organised (of short duration but much appreciated) by international organizations, including training on the role of municipal councils and on dialogue with citizens. ZELS has also provided training material, though more for mayors and local authorities as a whole.

<b>Albania</b>	Municipal councillors have the <b>right to professional training</b> according to a programme approved by the municipal council. Funding for such training is available in accordance with applicable legislation, but detailed information about training in Albania is lacking.
<b>Serbia</b>	Regular training for municipal councillors is not planned at national level. The training programme remains in the hands of the Standing Conference of Towns and Municipalities - the Association of Towns and Municipalities of Serbia (SKGO).
<b>Slovenia</b>	The association of local self-government units offers and provides training for the municipal administration and municipal councillors in public procurements, public-private partnership, accounting, finance and energy, etc.
<b>Lithuania</b>	Training for municipal councillors is not provided either by the national government or by the local authorities. The Association of Local Authorities in Lithuania provides training, especially on budget and financial issues. ALAL is the main consulting centre for local authorities. The boards of municipal councils plan training priorities for municipal councillors each year. <sup>102</sup> Lithuanian municipalities have greatly benefited from the experience of other countries and models of municipal organisation in the Baltic States. The very active coordinators of municipal <i>neighbourhood units</i> in Lithuania often develop the competences to become municipal councillors. (Coordinators of neighbourhood units have the right to stand for election as future municipal councillors).
<b>Denmark</b>	There is regular free training for councillors. Recently, this training has been focussed more on municipal councillors. An essential role is played by the Association of Local Authorities. Evidence from research shows that such training should be continuous and provided on a regular basis and that it should start soon after the elections so as to avoid a vacuum after the election period.

<sup>102</sup> ALAL has a public entity: the ALAL Training and Consulting Centre. This centre organizes training in different fields for municipal councillors and municipal experts, etc. ALAL also organizes training for mayors at least once a year, and for municipal experts, directors of administration and others according to their needs.

#### 4.5.4. National and international networking schemes for municipal councillors

Municipal councillors do not feel they are part of a group *per se*. Their sense of belonging is more at party level and at city and municipality level, rather than with other councillors in the same country. In Macedonia the main collective point for councillors is at meetings of the Associations of Local Authorities (ZELS), which provides an appropriate setting for networking for councillors.

<b>Albania, Serbia and Slovenia</b>	There are currently no specific national and international networking schemes for municipal councils.
<b>Lithuania</b>	The Association of Local Authorities represents the mayors of municipalities throughout the country, but this association does not include any special representation of municipal councillors.
<b>Denmark</b>	Danish municipalities are represented in a national association of municipalities (LGDK). Municipalities are members of this association on a voluntary basis. LGDK provides various services for its members, including information, trouble-shooting, networking, training and education. Some services must be paid for (i.e. services related to specific matters in individual municipalities), whereas others are free (i.e. services related to matters of general interest), and some are in-between (i.e. subscription services such as updates on specific legislation). There are several networks of municipal councillors based mostly on party membership or on thematic elements. As mentioned earlier in the document, the municipalities of the Baltic Region have benefited greatly from <b>regional solidarity</b> and from exchanges of best practices in similar conditions.

International forums and support seem to be important for councillors' representatives. These include the representation of councillors at the Congress of Local and Regional Authorities and, for Lithuania and Denmark, the Committee of the Regions. The participation of municipalities in other networks of cities that engage city councillors are also very important (Examples: ALDA - the European Association for Local Democracy, focusing on local governance and citizen participation; Energy cities, working on renewable energies and smart cities, etc). However, it is important to note that councillors participate (and benefit) in the networks' activities less than the executives or the civil servants. In addition, NALAS represents a source of knowledge and support for municipal councillors in the Balkan Region.



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